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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2025

2025

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Where Connections Happen

City of Carrollton
1945 E. Jackson Road
Carrollton, Texas 75006
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ADOPTED ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year October 1, 2024 – September 30, 2025

Council (L-R): Christopher Axberg, Mayor Pro Tem; Daisy Palomo, Deputy Mayor Pro Tem; Rowena Watters, Councilmember; Richard Fleming, Councilmember; Steve Babick, Mayor; Erin Rinehart, City Manager; Dr. Andrew Palacios, Councilmember; Jason Carpenter, Councilmember; Nancy S. Cline, Councilmember

Prepared By:

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Juan Aguilar, MPA, Sr. Budget Analyst

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CITY OF CARROLLTON, TEXAS

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January 27, 2026

The Honorable Mayor, Members of the City Council, and Citizens
City of Carrollton
Carrollton, Texas

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of Carrollton, Texas for the fiscal year ending September 30, 2025.

This report provides the City Council, City staff, our residents, bondholders, and other interested parties with detailed information concerning the financial position and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operation of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Forvis Mazars, LLP, Certified Public Accountants, has issued an unmodified opinion on the City's financial statements for the fiscal year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

CITY PROFILE

Location

Located in northwest Dallas, southeast Denton, and southwest Collin counties, Carrollton is only 14 miles north of downtown Dallas and 10 miles northeast of the Dallas-Fort Worth International Airport. Carrollton is readily accessible via Interstate 35E on the west, the Dallas North Tollway on the east, the President George Bush Turnpike flows east to west through the City, State Highway 121 is to the north, and Interstate Highway 635 is only two miles south of the city limits. The City encompasses approximately 37 square miles with 36 square miles of developable land which is approximately 96% developed.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and seven Council members who enact laws, determine policies, and adopt the annual budget. The City Council also appoints the City Manager. The Basic Financial Statements of the City include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standard Board. Based on these criteria, no other governmental organizations are included in this report.

Services Provided

The City provides to its citizens, at the least cost, those services that have proven to be necessary and meaningful. Major services provided under general government and enterprise functions include: police and fire protection, emergency ambulance service, developmental and environmental services, water and sewer services, sanitation services, library services, park and recreational facilities, street and drainage improvements, and general administrative services. The City also offers a 36-hole golf course and an aggressive economic development service. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations, and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, (2) the evaluation of costs and benefits requires estimates and judgments by management, and (3) the preciseness of estimates must be balanced with the timeliness of financial reporting.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that the City Council shall adopt the annual budget prepared by City Management. The budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that increase the total appropriations of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item and are posted electronically for City management each month.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level, and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Regional Economy

According to the Federal Reserve's Beige Book (November 2025) the economy of the 11th district, of which Texas is a part of, weakened throughout the reporting period. Declines were experienced in nonfinancial services, retail and banking. However, the manufacturing sector continues to remain resilient with production growth continuing at a modest pace. There continues to be concern of an overal economic slowdown, tariff concerns and overall global uncertainty. Employment in the DFW areas was up an annualized 2.5 percent with an overall growth in Texas of 3.2 percent. In their October update, the Federal Reserve Bank of Dallas reported the following:

Job Growth Annualized (July-Oct. '24)	Unemployment Rates	Average Hourly Wages	Average Hourly Wage Growth (Year Over Year)
+0.3%	4.1%	$ 36.39	+4.2%

Carrollton's Position in the Region

Carrollton is home to a diversified group of manufacturing and distribution firms. Products manufactured range from oil well equipment to high-tech components. Distribution and service

operations are equally diversified. This diversification is evident in the fact that the top ten taxpayers represents 4.37% of the total assessed valuation in the City.

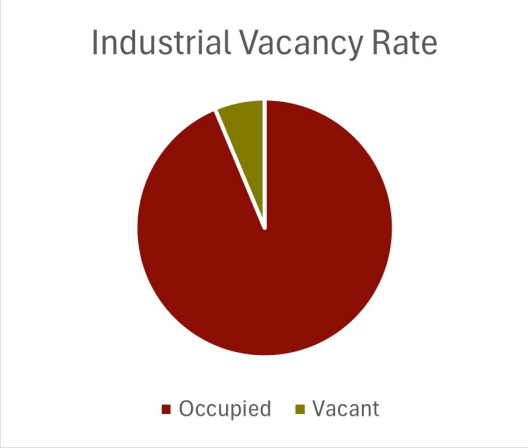
The City also benefits from a well-educated and affluent workforce. According to U.S. Census Bureau's 2024 American Community Survey, Carrollton's median household income of $102,231 compares favorably to $92,733 for DFW and $79,721 for Texas. Also, according to the survey, the workforce is educated with 49.6% of the population having a bachelor's degree or more, compared to 41.0% for DFW and 35.2% for Texas.

The following facts reflect Carrollton's economic condition and outlook:

Carrollton ranks as one of the top cities in the region in corporate investment, job creation, and population growth. Its central location within the region, its proximity to the DFW Airport, Love Field, Downtown Dallas, and the connectivity created by its three DART stations, make Carrollton a preferred location to live, work, and play. Carrollton's City Council has cut property taxes for twelve years in a row while maintaining one of the highest ratings in the delivery of municipal services in the DFW Metroplex. Carrollton's 45.1-million square feet of manufacturing and distribution space generates consistently increasing property and business-to-business sales tax revenue for the City, resulting in a well-balanced business-to-residential tax base.

Carrollton ranks high in the state for a quality of work environment. As of September 2025, Carrollton's unemployment was 3.7%, below the state's rate.

Carrollton is home to five major business parks and more than 57 million square feet of commercial space, anchored by a strong industrial base. Of the 45 million square feet dedicated to manufacturing and logistics, occupancy stands at 93% with a 7% vacancy rate—below regional, state and national averages. Despite broader market shifts, industrial real estate remains resilient, supported by sustained domestic and international demand. Reshoring and nearshoring trends are bringing manufacturing closer to end markets, positioning North Texas—and Carrollton in particular—as a direct beneficiary.



Total certified taxable value, not including estimated value for property under protest, for all residential and commercial property in the City was valued at approximately $23.0 billion for **tax year 2025**, a 7.64% increase from the previous year.

Sales tax collections, which includes mix-drink sales tax, totaled $52,632,624 in fiscal year 2025, a 5.9% increase from the previous year. The revenue still exceeded budget expectations due to fiscally conservative financial planning. The City also participated in the State of Texas's Events Trust Fund Program and hosted the LIV Golf Tournament a local golf-course which brought investments to the local economy. In October 2025, the Dallas Area Rapid Transit opened the Silver Line which transcends through Carrollton and provides for an east-west thoroughfare through the city to the DFW Airport, and includes a stop in Downtown Carrollton.

Future Economic Outlook

The implementation of the Comptroller's change to rule 3.334, which would redistribute sales tax dollars, was delayed due to a lawsuit which was ruled in favor of the municipalities that filed it. The city continued to budget conservatively in fiscal year 2026 in preparation for the implementation of the proposed changes. The city's sales tax budget for fiscal year 2025 was increased by 10.51% during the mid-year re-estimated budget for fiscal year 2025 as the city performed 15.38% better than projected through July 31, 2025. By the end of fiscal year 2025, the city came in 14.48% over its original budgeted revenue and 3.6% over the revised estimate. Notably, the sales tax revenue received for fiscal year 2025 was 5.9% over the sales tax revenue received for Fiscal Year 2024. The City recognizes its exposure to sales tax volatility and has adopted a sales tax mitigation strategy whereby a portion of sales tax is dedicated to non-recurring capital expenditures.

For fiscal year 2026, property valuations increased 5.02% with a 4.32% increase in residential property and 6.56% increase in commercial and industrial properties. Carrollton has approximately 994 acres of vacant land ready for future development with 833 of those acres currently zoned for commercial and industrial use. This bodes well for the City as these uses generally require a lower level of City services while providing a higher level of revenue to the City, as compared to the typical residential development.

Carrollton’s economic future is not without challenges. The City is no longer an outer ring suburb that can simply rely on construction on vacant land to fuel growth in tax base and the economy. As it approaches single family residential build out and vacant commercial tracts become scarce, the City must invest more than ever to keep Carrollton an attractive place to live and work. The City Council, recognizing these trends, has adopted strategic goals that create a vision for the City’s future. To obtain this vision, the City has:

- Maintained conservative financial policies and strong financial position that will allow it to react quickly to development opportunities as well as withstanding economic downturns.

- Continuously evaluated the workforce for possible reductions. The savings from continuous evaluation of the workforce has been reinvested in the community through increased capital expenditure, increased code enforcement, and neighborhood reinvestment programs.
- Aggressively pursued transit-oriented development related to the light rail which arrived in the City in December 2010. DART's Silver Line project has opened in October of 2025. This 26 mile line provides DFW a connection from east to west, through Carrollton, to the Dallas-Fort Worth International Airport. The construction of the first phase of the Trinity Mills Station Transit Oriented Development master plan commenced in 2023, and the first multi-family complex opened in 2025. The city is also currently working to identify a master-developer for District-35, a parcel of land that is located at the southwest corner of the intersections of Interstate 35-E and PGBT.

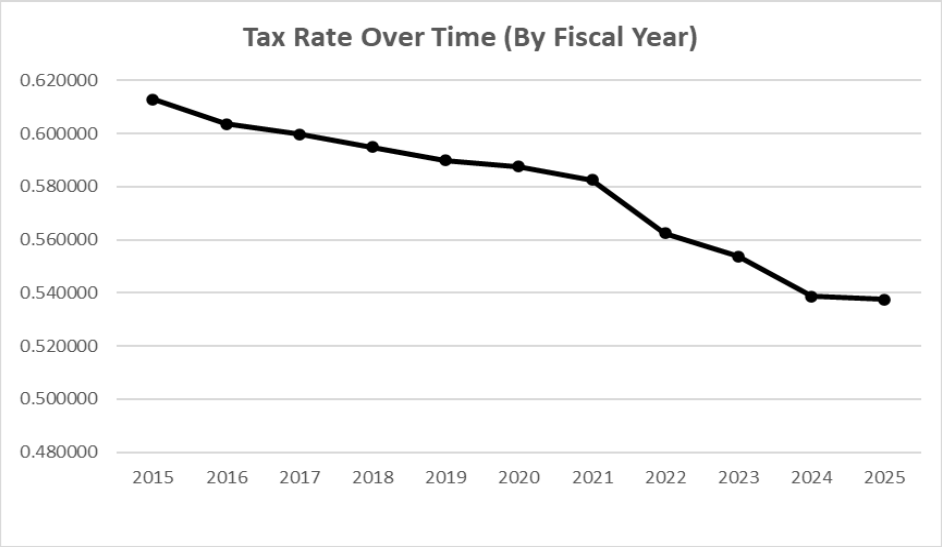
Long-term Financial Planning

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

Sales tax is the City's second largest General Fund revenue and is also one of its most volatile. It has been the City's experience that rapid increases in sales tax revenues are often followed by rapid declines. Creating a "cap" for the amount of sales tax that can be used in a given year for operating purposes allows the City to manage this volatility, promotes a healthy pay-as-you-go infrastructure re-investment program, and protects the City from rapid revenue declines during times of economic downturns. For fiscal year 2025, sales tax exceeded the "cap" for operating purposes by over $19.4 million. This excess will be used for one-time non-recurring purposes in the fiscal year 2026 and fiscal year 2027 budget cycles.

Annually, a Multi-year Budget is presented to the City Council as part of the budget process. This document forecasts the operating, debt service, and fleet replacement fund operations for the upcoming five years. Additionally, a multi-year Capital Plan is prepared and presented to the City Council as part of the annual budget process.

Carrollton continues its focus to be a city that businesses and families want to call home. For tax year 2025, the City reduced its tax rate to 0.537500 per $100 assessed value due to the strong growth of its tax base. The City increased its senior exemption in tax year 2025 to $110,000. The City has also continued its focus on the investment in infrastructure throughout its boundaries. In fiscal year 2025, the city budgeted over $133 million in capital funding for new projects funded from debt issuance, non-recurring sources, and tax revenue.



In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, the city has significantly stepped up funding to ensure the long-term sustainability of the plan. The city maintains a healthy fund balance in our Employee Health Fund and continues its regular review of its financial status throughout the year.

OTHER INFORMATION

Independent Audit

Article II, Section 2.18 of the City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the Report of the Independent Auditor's Report has been included in this report.

Additionally, the City's Audit, Finance, and Governance Committee serves as a subcommittee of the City Council and functions as an audit committee to hear and review all recommendations made by the independent auditors.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificated of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR), whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificated of Achievement for the last 35 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Erin Rinehart
City Manager

Diana Vaughn, CPA
Chief Financial Officer

Melissa Everett, MS
Finance Director

CITY OF CARROLLTON, TEXAS

City Council

Steve Babick, Mayor

Christopher Axberg, Mayor Pro Tem, Place 1

Daisy Palomo, Deputy Mayor Pro Tem, Place 6

Jason Carpenter
Place 2

Richard Fleming
Place 3

Dr. Andrew Palacios
Place 4

Nancy S. Cline
Place 5

Rowena Watters
Place 7

City Manager

Erin Rinehart

Assistant City Manager

Chrystal Davis

Chief Financial Officer

Diana Vaughn, CPA

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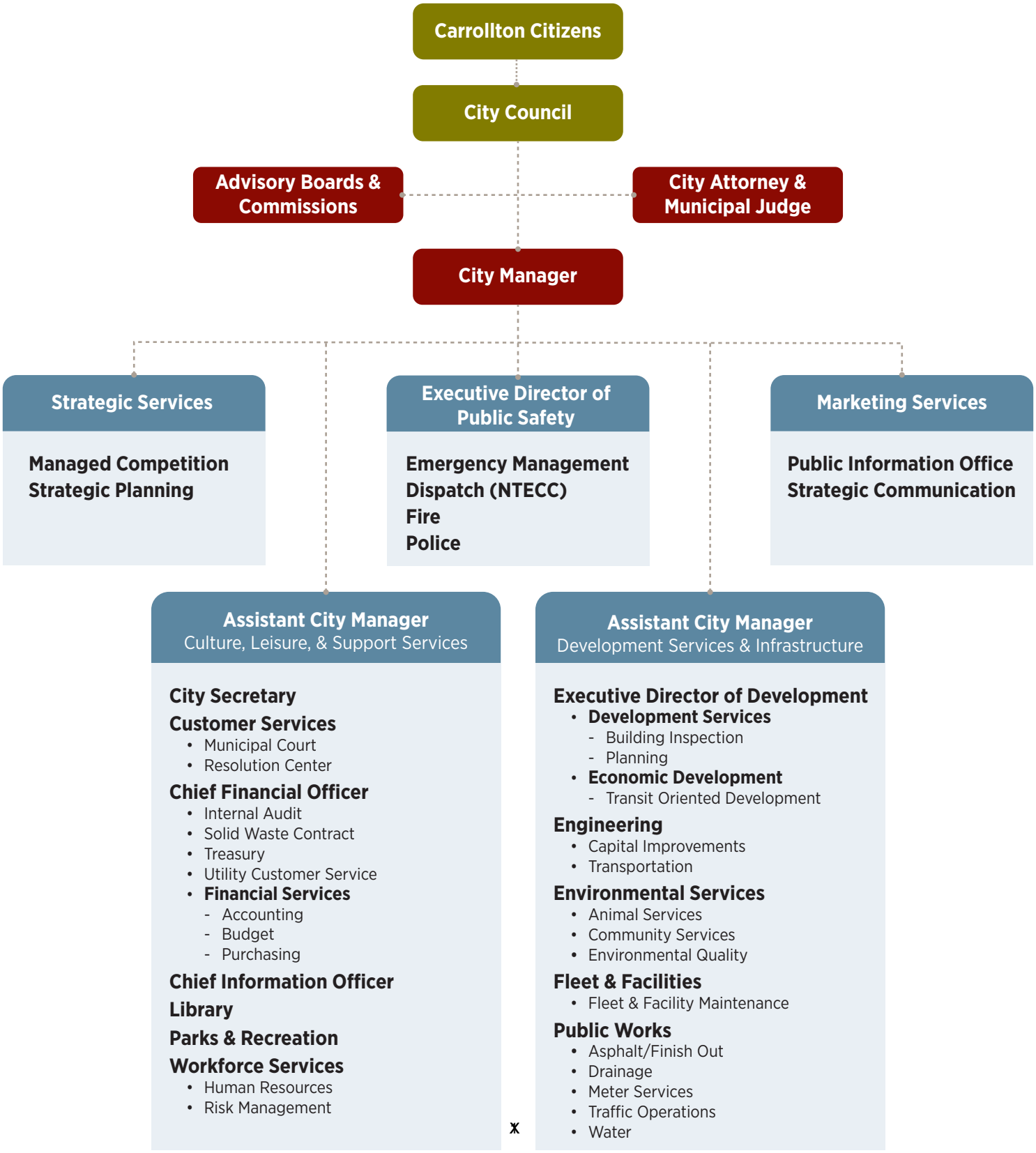
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Carrollton
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

CARROLLTON

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Forvis Mazars, LLP
14221 Dallas Parkway, Suite 400
Dallas, TX 75254
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forvismazars.us

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Carrollton, Texas
Carrollton, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended September 30, 2025 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary schedules for the year ended September 30, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended September 30, 2025 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the combining and individual fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended September 30, 2025.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended September 30, 2024 (not presented herein), and have issued our report thereon dated February 26, 2025, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and information included in the budgetary schedules related to the year ended September 30, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2024 financial statements. The information was subjected to the audit procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and information included in the budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2024.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and continuing financial disclosure tables, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
January 27, 2026

CARROLLTON

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CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2025

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

January 27, 2026

As management of the City of Carrollton (City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2025. In the broadest context, the financial well-being of the government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically. This allows the City's tax base, service levels, assets and desirability to be maintained, not just for the current year, but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages I-VIII), the statistical section (pages 127-148), as well as information on the City's Council's Strategic Goals, the annual budget and other community information found on the City's website at www.cityofcarrollton.com. It should be noted from the Report of the Independent Auditor's association with various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

IN BRIEF

- The net position of the City at the close of the most recent fiscal year was $917,493. This number must be viewed in the context that a large portion of the City's net position of $534,375 (58.2%) is the net investment in capital assets, and that most capital assets in a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals $8,360 (0.9%). The remaining $374,758 (40.8%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net position increased by $11,737 in fiscal year 2025.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $344,401. Within this total $32,310 is restricted by specific legal requirements (such as by debt covenants), $1,791 is nonspendable for prepaid items and $261,123 has been committed and assigned to specific types of expenditures. The remaining $49,178 is an unassigned fund balance in the General Fund and can be used for any lawful purpose.
- The City's long-term liabilities decreased by $(11,591) due primarily to a reduction in pension liability, long term risk liability, and revenue bonds payable offset partially by the addition of general obligation bonds.

The City continued to see growth in property and sales tax revenues in 2025. The Economic Factors and Next Year's Budget section on the last page of this discussion provide additional information on the subject.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information which includes this management's discussion and analysis and multi-year funding progress on the City's pension plan and retiree health plan. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, development services, and cultural recreation. The business-type activities of the City include water and sewer, golf course and sanitation operations. The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements – A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are also the primary focus of the annual budget process. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Nonfinancial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities such as bonds payable or long-term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, Streets and Drainage, General and Public Facilities, and Parks and Recreation funds, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the Annual Comprehensive Financial Report. The basic governmental funds financial statements can be found on pages 22-26.

Proprietary Funds – The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, golf and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management and employee health and disability programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included primarily within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Golf Course, and Sanitation funds, since all are considered major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Annual Comprehensive Financial Report. The basic proprietary fund financial statements can be found on pages 27-31 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-73.

Other Information – In addition to the basic financial statements, information required by the Governmental Accounting Standards Board is included herein, including this discussion and analysis and information concerning the City's progress in funding its obligation to provide pension and retiree health benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position, and, especially net position by category, may serve over time as a useful indicator of a government's financial position. The City's net position was $917,493 as of September 30, 2025.

The largest portion of the City's net position $534,375 (58.2%) reflects its investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets into the future. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

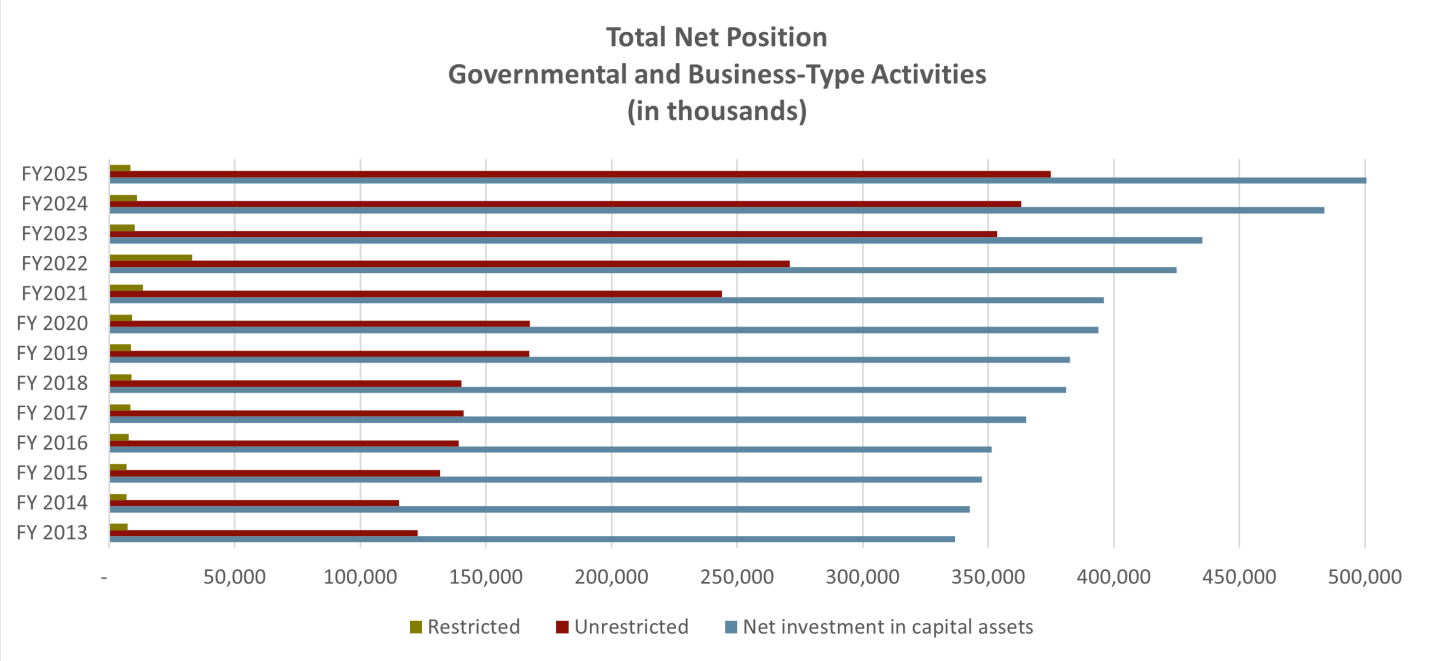
Amounts in Thousands Unless Stated Otherwise
(Unaudited)

An additional portion of the City's net position of $8,360 (0.9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $374,758 (40.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF CARROLLTON'S NET POSITION
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current and other assets	$ 397,778	$ 407,481	$ 80,730	$ 67,530	$ 478,507	$ 475,009
Capital Assets						
Lease and SBITA assets	5,345	3,768	1,515	996	6,859	5,283
Capital assets, net	558,251	618,932	129,375	139,930	687,627	758,861
Total Assets	961,374	1,030,181	211,620	208,456	1,172,994	1,238,634
Deferred outflows of resources	26,000	13,876	1,160	633	27,160	14,509
Long-term liabilities	284,351	274,954	18,622	16,486	302,974	291,440
Other liabilities	25,117	27,497	9,980	8,796	35,097	36,293
Total Liabilities	309,468	302,451	28,602	25,282	338,071	327,733
Deferred inflows of resources	4,032	7,725	163	426	4,195	8,151
Net Position:						
Net investment in capital assets	366,184	410,752	117,532	123,623	483,715	534,375
Restricted	10,157	7,356	995	1,004	11,152	8,360
Unrestricted	297,533	316,005	65,489	58,753	363,022	374,758
Total Net Position	$ 673,874	$ 734,113	$ 184,015	$ 183,380	$ 857,889	$ 917,493

As of September 30, 2025, the City has positive balances in all three categories of net position: both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



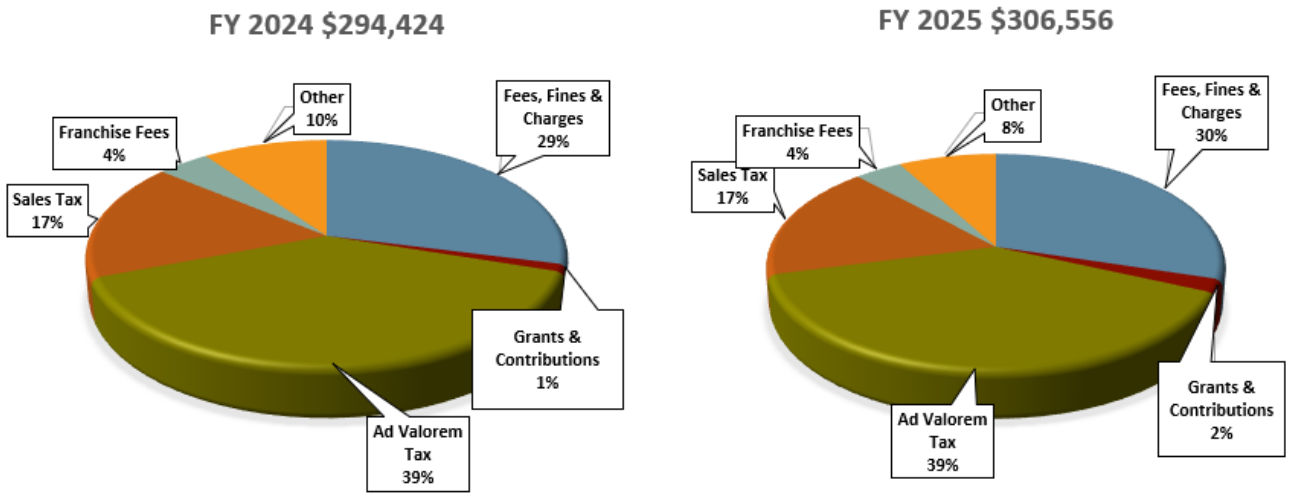
The current and other assets increased in the Governmental activities by $9,703 and decreased in the Business-type activities by $(13,719). Increase in the Governmental activities assets is primarily due to unspent proceeds from issuance of debt offset somewhat by pay-as-you-go funding for other capital projects. The decrease in current and other assets in Business-type activities are is due to unspent bond proceeds from a new issuance of debt in fiscal year 2024, along with positive impact from current year operations. The City continues to invest in infrastructure, resulting in an increase in capital assets.

The City's long-term liabilities decreased by $(11,591) due primarily to a reduction in pension liability, long term risk liability, and revenue bonds payable offset partially by the addition of general obligation bonds.

Analysis of the City's Operations – Overall the City had an increase in net position of $59,603 or 6.9%, which is relatively consistent with the $59,072 million increase in 2024. This increase is a result of increased ad valorem taxes, sales taxes , and an increase to program revenues including charges for service and fines and forfeitures.

Changes in Net Position

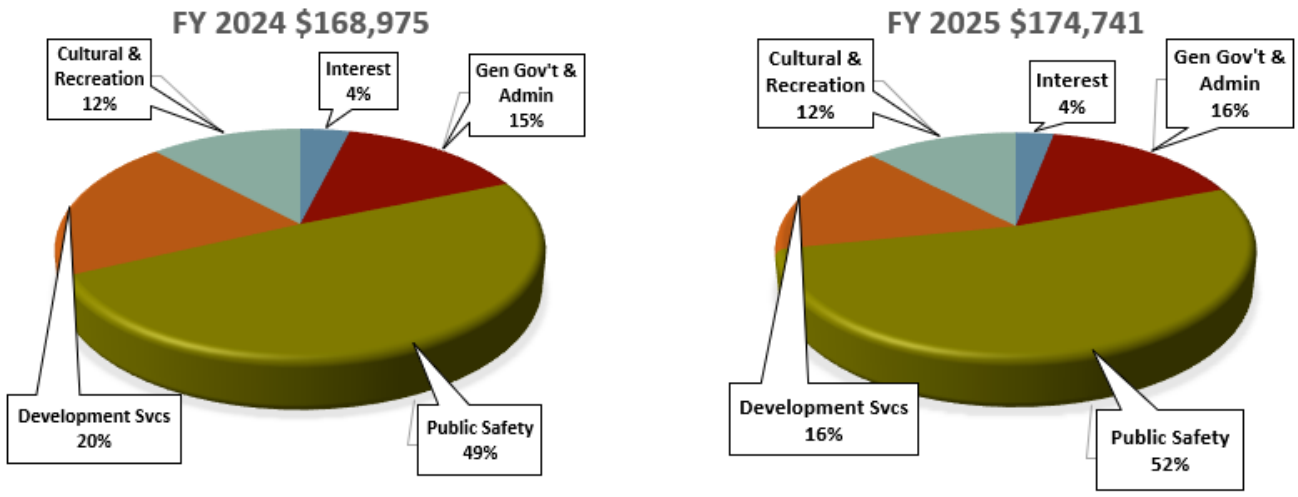
Revenue by Major Category
Governmental and Business-Type Activities



Governmental Activities: Governmental activities net position increased by $60,239. Net investment in capital assets increased by $44,568 or 12.17%. The increase was primarily due to net capital asset activity outpacing the issuance of debt. Restricted net position decreased by $(2,801) or (27.6)%. Unrestricted net position increased by $18,472 or 6.21%. The increase was primarily driven by items discussed above.

Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by $10,418 or 4.6%. General revenue (excluding transfers) had a net increase of $4,416 or 2.19%. Ad valorem tax experienced an increase of $5,054 due to growth in assessed valuations from both new construction and increases in existing values. Additionally, a increase was seen in sales taxes of $2,920. Other general revenues decreased by $(3,560), primarily due to an decrease in investment income. Program revenues had a net decrease of $6,003 primarily due to an increase in Charges for Service and Fines and Forfeiture revenues collected. Net transfers between business-type activities and governmental activities changed by $1,448 from the previous year due to available fund in the General Fund for one-time expenses.

Expenses by Type
Governmental Activities



Total expenses for governmental activities increased by $5,564 or 3.29% is primarily due to increases in salaries, TMRS pension funding, and increases to operational costs related to development services.

Business-type Activities: Net position from business-type activities decreased by $(636) or (0.35)% from $184,016 to $183,380. Net investment in capital assets increased by $6,092 or 5.18%. Restricted net position increased by $9 or 0.90%. Program revenues for business-type activities increased by $3,203 primarily due to an increase in water & sewer rates.

The following table provides a summary of the City's operations for year ended September 30, 2025 with comparative totals for year ended September 30, 2024.

CITY OF CARROLLTON'S CHANGES IN NET POSITION

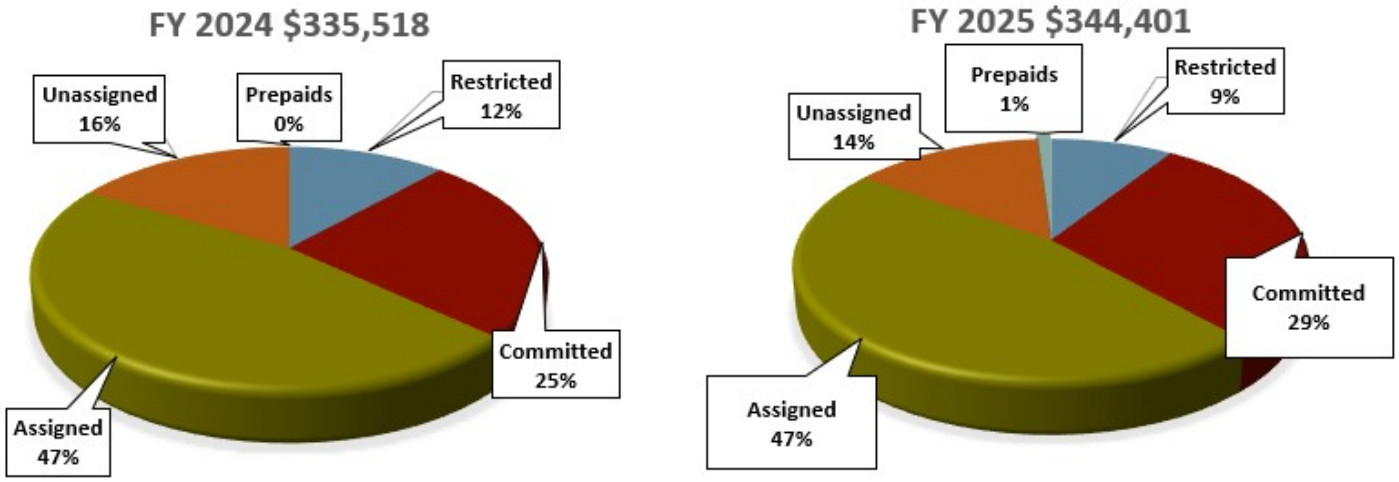
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues						
Program Revenues:						
Fees, Fines, and Charges for Services	$ 13,780	16,301	$ 71,559	$ 74,873	$ 85,339	$ 91,604
Operating Grants and Contributions	1,702	3,951	-	-	1,702	3,951
Capital Grants and Contributions	963	1,766	397	286	1,360	2,052
General Revenues:						
Ad Valorem Taxes	115,162	120,217	-	-	115,162	120,217
Sales Tax	49,712	52,633	-	-	49,712	52,633
Occupancy Tax	577	535	-	-	577	535
Franchise Fees	12,169	11,953	-	-	12,169	11,953
Investment Earnings:						
Net of change in fair value of investments	22,607	16,072	3,727	2,525	26,335	18,597
Gain (loss) on Sale of Capital Assets	315	-	329	174	644	174
Miscellaneous	757	4,306	666	1,357	1,423	5,663
Total Revenues	$ 217,745	$ 227,733	$ 76,678	$ 79,216	$ 294,424	$ 307,379
Expenses						
General Government and Administration	$ 25,004	$ 27,329	$ -	$ -	$ 25,004	$ 27,329
Public Safety	83,173	91,418	-	-	83,173	91,418
Development Services	34,075	28,361	-	-	34,075	28,361
Cultural and Recreational	20,167	21,685	-	-	20,167	21,685
Interest on Long-Term Debt	6,556	5,745	-	-	6,556	5,745
Water and Sewer	-	-	54,585	60,180	54,585	60,180
Golf	-	-	1,091	789	1,091	789
Sanitation	-	-	10,701	11,839	10,701	11,839
Total Expenses	168,975	174,539	66,377	72,807	235,351	247,345
Increase in Net Position before Transfers	48,770	53,195	10,302	6,408	59,072	60,033
Transfers	5,596	7,044	(5,596)	(7,044)	-	-
Increase in Net Position	54,366	60,239	4,706	(635)	59,072	60,033
Net Position October 1	619,507	673,873	179,310	184,016	798,817	857,890
Net Position September 30	$ 673,873	$ 734,113	$ 184,016	$ 183,380	$ 857,889	$ 917,493

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

Fund Balances by Type
Governmental Activities



At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $344,401. Within this total, $32,310 is restricted by specific legal requirements, such as by debt covenants, $1,791 for prepaid expenditures, and $261,122 has been committed or assigned to specific types of expenditure. The remaining $49,178 is unassigned fund balance in the General Fund and can be used for any lawful purpose.

One of the City's financial policies is to maintain fund balance in the General Fund equal to 60 days expenditures. When those balances significantly exceed the 60-day target, the excess is transferred to capital project funds to fund pay-as-you-go capital expenditures. Sales tax is the General Funds second largest revenue source, and much of the excess fund balance is available due to conservative budgetary sales tax estimates due to previous litigation related to sales tax disbursements. The nature of sales tax in Texas is discussed in note 6 on pages 55-56 of this report. In order to manage this volatile revenue source, the city council adopted a financial policy to transfer sales tax received in excess of the amount budgeted for recurring purposes to capital

projects funds to be used for one-time capital expenditures. The fund balance exceeding the City's financial policy of 60 days was addressed during the fiscal year with significant transfers to other funds.

Debt service fund balance decreased in 2025 by $(649). Streets and Drainage Capital Projects fund balance increased by $3,527 due to unspent bond proceeds offset by construction of previously identified projects. The General and Public Facilities Capital Projects fund balance increased by $7,037 primarily due to transfers in that will continue to be expended on future capital outlays. The Parks and Recreation Capital Projects fund balance increased by $967 due to new bond issuance.

Proprietary funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective enterprise funds is $55,055 for Water and Sewer, $2,694 for Golf Course, and $464 for Sanitation. The total of all enterprise funds' unrestricted net position of $58,214 is increased by $539 for the consolidation of the internal service fund activities related to enterprise funds to equal the total unrestricted net position for business-type activities in the entity-wide statements of $58,753. Change in net position for enterprise funds in 2025 were $(1,223) in the Water and Sewer Fund, $531 in the Golf Course Fund and $66 in the Sanitation Fund.

General Fund Budgetary Highlights – Actual revenues collected exceeded management's original estimate of the General Fund's revenues by $9,802 or 6.54% due primarily to the sales tax and investment income performing above budgetary amounts, conservative budget practices and the expectation that Rule Change 3.334 would go into effect which would have lowered sales tax revenue. Additionally, expenditures were less than budget primarily due to vacancies reflected in personnel costs.

PENSIONS AND RETIREE HEALTHCARE

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions,"an amendment of GASB Statement No. 27, created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous uniform measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used (including strategies for repaying any unfunded actuarial accrued liabilities) combined with the City's history of making those contributions provides insights regarding the city's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves, including

the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net pension Liability (NPL) as of September 30, 2025 of $6,742 which is 8.58% of the City's annual covered payroll of $78,615. The NPL decreased by $(15,901) from the previous year primarily due to higher than expected investment return coupled with increased contributions. The sizable amount of fiduciary net position invested for the City by TMRS combined with the natural volatility of investment returns from year to year make both the NPL and pension expense volatile.

Effective January 1, 2022, the City re-opened the health plan to employees eligible to retire in the City. Employees 60 years of age and with at least ten years of consecutive service with the city will be eligible to pay the same rates as those on the closed retiree health program. This change was made in response to the unaffordability of age-based rates combined with the highest claimant leaving the closed plan. The Total OPEB Liability (TOL) recorded as of September 30, 2025 is $5,217.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $758,861 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, intangibles, improvements, and infrastructure and construction in progress. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was 10.36% (10.87% increase for governmental activities and 8.16% increase in business-type activities.) Accurately estimating useful lives for purposes of depreciation can be difficult particularly for infrastructure.

Capital Assets at Year-End
Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activites		Total	
	2024	2025	2024	2025	2024	2025
Land	$ 100,125	$ 100,135	$ 2,330	$ 2,330	$ 102,455	$ 102,465
Buildings	27,280	27,405	1,268	1,289	28,549	28,695
Equipment	20,174	25,453	2,878	3,873	23,051	29,327
Intangibles	1,228	463	20	10	1,248	473
Improvements	37,185	42,634	2,367	2,945	39,552	45,580
Infrastructure	335,662	374,220	119,721	128,657	455,383	502,877
Construction in Progress	36,597	48,620	791	825	37,388	49,445
Total	$ 558,251	$ 618,932	$ 129,375	$ 139,930	$ 687,626	$ 758,861

Leased and subscription assets are not included in this schedule. Details on leased and subscription assets can be found in Note 4: Capital, Lease, and Subscription Assets, in addition to Note 15: Leases, and note Note 16: Subscription Liabilities.

Major capital asset events during the current fiscal year included the following:

- Parks and recreation improvements totaling $7.3 million including: $2.3 million for improvements of Hebron Park, $1.7 million for Woodlake Pond Enhancements; $1.5 million on improvements for McInnish Athlethic Complex, and $950k on Sandy Lake Service Center Park.
- Water and sewer infrastructure improvements totaling $14.9 million, including $3.2 million on Don Cline pump station improvements, $4.3 million on Automated Meters Project, along with other various water and sewer infrastructure upgrades.
- Street and Alley Improvements of $49.8 million, including $23.5 million on arterial infrastructure, $25.9 million in Residential Street replacements, and $428 thousand in alley improvements.
- Drainage Improvements of $2.3 million, including $962 thousand in Coyote Ridge, $395 thousand in the Local Drainage Projects, and $576 thousand for Duncan Heights and Ridgecrest Phase 1, in addition to other stormwater infrastructure improvements.

Additional information on the City's capital assets can be found in Note 4 on pages 47-50 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt of $241,899 including unamortized premiums. Of this amount, $227,382 comprises bonded debt backed by the full faith and credit of the government, and $14,517 represents bonds secured solely by water and sewer revenues.

Outstanding Debt at Year End
Bonds Payable

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
General Obligation Bonds	$ 221,539	$ 227,382	$ -	$ -	$ 221,539	$ 227,382
Revenue Bonds	-	-	15,440	14,517	15,440	14,517
Total	$ 221,539	$ 227,382	$ 15,440	$ 14,517	$ 236,979	$ 241,899

During the fiscal year, the City's total debt increased by $4,920 or 2.08% due entirely to the issuance of $33,430 (including premium) of new General Obligation Bonds. The City did not issue any Revenue Bonds during the fiscal year. The new issue was partially offset by existing debt retirements of $27,587 and revenue bond retirements of $923.

As a water distribution and sewer collection utility, the City does not have any debt outstanding related to water and sewer treatment. However, it does have long-term contracts with its regional suppliers that have outstanding debt related to the provision of these services. Table 14, "Direct and Contractually Obligated - Property Tax and Revenue Debt," found on page 145, lists the City's pro-rata share of debt that is contractually obligated.

The City's General Obligation and Waterworks and Sewer System Revenue Bond ratings are listed below.

	Standard & Poor's	Fitch
General Obligation Bonds	AAA	AAA
Revenue Bonds	AAA	AAA

Additional information on the City's long term-debt can be found in note 5 on pages 50-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In the fiscal year 2026 Budget, General Fund recurring revenues are budgeted to increase by 5.18% from the fiscal year 2025 budget with ad valorem taxes making up 53.19% of General Fund budgeted revenues. The certified assessed values for the City increased by 4.69% for the fiscal year 2026 budget, and included over $129 million in value as a result of new construction. The City Council reduced the tax rate by 0.2%. The City maintains the ability to use an unused tax increment in the next budget year which would allow it to raise the tax rate over the 3.5% cap without requiring an election, if needed.

Sales taxes continues to perform above budgetary expectations. The State of Texas proposed a new rule change that could impact the amount of sales tax that the city could receive from its local businesses. The city reduced its Sales and Use Tax budget to accommodate for this potential decrease.

The City continues to develop commercially. The new Trinity Mills Station Urban Development site broke ground in 2023 and officially opened its first apartment complex, Eviva, in 2025. This site will also host an additional transit rail station, office buildings, mixed use, commercial and residential buildings. In October 2025, the City also open its second Dallas Area Rapid Transit rail line which rus east to west throughout the city. The Silver Line has a stop in downtown Carrollton, and allows for its customers to commute across the metorplex from its location. The city also maintains a strong warehouse district that continues to be rented near capacity due to the close proximity to the airport, major highways and the railway.

The Water and Sewer Operating Fund will see 7.5% increase in revenue as a result of rate increases for fiscal year 2026 as the city continues its planning for increased debt needs and the implementation of Automated Meter Infrastructure(AMI). The commercial pilot of the AMI is currently being deployed. In 2025, Fitch Ratings, Inc. and S&P Global Ratings both maintained its AAA rating of the city's Water and Sewer bonds.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Finance Director, at P.O. Box 110535, Carrollton, Texas 75011-0535, e-mail at Accounting@cityofcarrollton.com or call (972) 466-3110.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets			
Cash, cash equivalents, and investments	$ 315,359,789	$ 54,967,629	$ 370,327,418
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	341,614	-	341,614
Sales taxes	8,902,759	-	8,902,759
Franchise fees	3,069,922	-	3,069,922
Accounts	-	7,288,320	7,288,320
Accrued interest	2,291,725	430,776	2,722,501
Other	5,927,598	155,457	6,083,055
Public Improvement District assessment	9,453,290	-	9,453,290
Due from other governments	1,864,708	-	1,864,708
Internal balances	(538,837)	538,837	-
Inventories	55,954	-	55,954
Prepaids items	1,911,041	-	1,911,041
Equity interest in joint venture	8,042,383	-	8,042,383
Land held for redevelopment	3,824,754	-	3,824,754
Restricted assets:			
Cash, cash equivalents, and investments	47,205,614	4,148,849	51,354,463
Capital assets:			
Lease assets, net of accumulated amortization	2,797,801	-	2,797,801
SBITA Assets, net of accumulated amortization	970,467	996,013	1,966,480
Land	100,135,359	2,329,929	102,465,288
Buildings	91,993,484	20,319,382	112,312,866
Equipment	71,740,787	11,349,041	83,089,828
Intangibles	10,756,801	828,392	11,585,193
Improvements	75,884,891	17,351,788	93,236,679
Infrastructure	550,949,515	302,382,281	853,331,796
Construction in progress	48,619,786	825,299	49,445,085
Accumulated depreciation	(331,149,045)	(215,456,608)	(546,605,653)
Total assets	1,030,412,160	208,455,385	1,238,867,545
Deferred outflows of resources			
OPEB contributions after measurement date	70,357	3,961	74,318
Changes in OPEB assumptions	154,151	9,033	163,184
Difference in expected and actual OPEB experience	1,452,406	74,801	1,527,207
Difference in expected and actual pension experience	4,272,626	165,630	4,438,256
Pension contributions after measurement date	7,926,116	379,571	8,305,687
Total deferred outflows of resources	13,875,656	632,996	14,508,652
Liabilities			
Accounts payable	23,041,925	5,391,087	28,433,012
Accrued interest	1,177,289	260,279	1,437,568
Unearned revenue	3,277,325	-	3,277,325
Customer deposits payable	-	3,144,837	3,144,837
Noncurrent liabilities:			
Due within one year	30,868,650	1,421,908	32,290,558
Due in more than one year	244,084,924	15,064,315	259,149,239
Total liabilities	302,450,113	25,282,426	327,732,539
Deferred inflows of resources			
Deferred charges on refunding	340,346	-	340,346
Difference in projected and actual earnings on pension assets	4,770,224	318,158	5,088,382
Changes in actuarial assumptions used to determine pension liability	1,467,513	82,162	1,549,675
Deferred inflows related to leases	663,291	-	663,291
Changes in actuarial assumptions used to determine OPEB liability	483,615	25,656	509,271
Total deferred inflows of resources	7,724,989	425,976	8,150,965
Net position			
Net investment in capital assets	410,751,658	123,623,404	534,375,062
Restricted for:			
Debt service	4,774,147	1,004,012	5,778,159
Special revenue, public safety	2,581,743	-	2,581,743
Unrestricted	316,005,166	58,752,563	374,757,729
Total net position	$ 734,112,714	$ 183,379,979	$ 917,492,693

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Activities
For the Year Ended September 30, 2025

Program Activities	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenue and Changes in Net Position: Total
Governmental activities:							
General government and administration	$ 27,328,813	$ 316,002	$ 176,845	$ -	$ (26,835,966)	$ -	$ (26,835,966)
Public safety	91,418,429	10,363,266	626,966	100,000	(80,328,197)	-	(80,328,197)
Development services	28,361,203	2,339,289	3,146,720	1,666,313	(21,208,881)	-	(21,208,881)
Cultural and recreational	21,684,920	3,282,530	-	-	(18,402,390)	-	(18,402,390)
Interest	5,745,159	-	-	-	(5,745,159)	-	(5,745,159)
Total governmental activities	174,538,524	16,301,087	3,950,531	1,766,313	(152,520,593)	-	(152,520,593)
Business-type activities:							
Water and Sewer	60,179,757	60,514,064	-	285,630	-	619,937	619,937
Golf	788,976	1,084,277	-	-	-	295,301	295,301
Sanitation	11,838,585	13,274,616	-	-	-	1,436,031	1,436,031
Total business-type activities	72,807,318	74,872,957	-	285,630	-	2,351,269	2,351,269
Total government	$ 247,345,842	$ 91,174,044	$ 3,950,531	$ 2,051,943	(152,520,593)	2,351,269	(150,169,324)
General revenues:							
Taxes:							
Ad valorem					120,216,758	-	120,216,758
Sales					52,632,624	-	52,632,624
Occupancy					534,573	-	534,573
Franchise fees based upon gross receipts					11,953,231	-	11,953,231
Investment earnings net of change in fair value of investments					16,072,128	2,525,362	18,597,490
Gain (loss) on sale of capital assets					-	174,436	174,436
Miscellaneous					4,306,575	1,357,336	5,663,911
Transfers					7,043,840	(7,043,840)	-
Total general revenues and transfers					212,759,729	(2,986,706)	209,773,023
Change in net position					60,239,136	(635,437)	59,603,699
Net position at beginning of year					673,873,578	184,015,416	857,888,994
Net position at end of year					$ 734,112,714	$ 183,379,979	$ 917,492,693

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Balance Sheet
Governmental Funds
September 30, 2025

	General	Debt Service	Streets and Drainage	General and Public Facilities	Parks and Recreation	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 43,503,302	$ 4,390,316	$ 123,024,423	$ 82,682,354	$ 37,653,797	$ 51,700,657	$ 342,954,849
Receivables (net, where applicable, of allowance for doubtful accounts):							
Ad valorem taxes	-	341,614	-	-	-	-	341,614
Sales taxes	8,902,759	-	-	-	-	-	8,902,759
Franchise fees	3,069,922	-	-	-	-	-	3,069,922
Accrued interest	469,411	42,217	789,699	389,688	169,518	269,599	2,130,132
Other	2,022,778	-	-	3,499,270	286,972	-	5,809,020
Due from other governments	698,641	-	-	221,000	899,246	45,821	1,864,708
Prepaid items	1,654,056	-	-	-	-	136,618	1,790,674
Land held for redevelopment	-	-	-	3,824,754	-	-	3,824,754
Total assets	$ 60,320,869	$ 4,774,147	$ 123,814,122	$ 90,617,066	$ 39,009,533	$ 52,152,695	$ 370,688,432
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 7,916,352	$ -	$ 7,461,091	$ 1,050,395	$ 2,222,661	$ 2,148,379	$ 20,798,878
Unearned revenue	24,576	-	72,000	2,847,000	-	333,749	3,277,325
Total liabilities	7,940,928	-	7,533,091	3,897,395	2,222,661	2,482,128	24,076,203
Deferred inflows of resources							
Deferred inflows related to leases	-	-	-	379,342	283,949	-	663,291
Unavailable revenue	1,547,900	-	-	-	-	-	1,547,900
Total deferred inflows of resources	1,547,900	-	-	379,342	283,949	-	2,211,191
Fund balances:							
Nonspendable for:							
Prepaid items	1,654,056	-	-	-	-	136,618	1,790,674
Restricted for:							
Debt service	-	4,774,147	-	-	-	-	4,774,147
Streets and drainage	-	-	12,494,491	-	-	-	12,494,491
Public facilities	-	-	-	4,933,394	-	-	4,933,394
Other capital projects	-	-	-	-	-	7,495,266	7,495,266
Other purposes	-	-	-	30,825	-	2,581,745	2,612,570
Committed to:							
Street rehabilitation	-	-	61,724,448	-	-	-	61,724,448
Capital projects	-	-	-	-	1,508,928	38,166,349	39,675,277
Assigned to:							
Streets and drainage	-	-	42,062,092	-	-	-	42,062,092
Public facilities	-	-	-	81,376,110	-	-	81,376,110
Other capital projects	-	-	-	-	34,993,995	-	34,993,995
Other purposes	-	-	-	-	-	1,290,589	1,290,589
Unassigned	49,177,985	-	-	-	-	-	49,177,985
Total fund balances	50,832,041	4,774,147	116,281,031	86,340,329	36,502,923	49,670,567	344,401,038
Total liabilities and fund balances	$ 60,320,869	$ 4,774,147	$ 123,814,122	$ 90,617,066	$ 39,009,533	$ 52,152,695	$ 370,688,432

See accompanying notes to basic financial statements.

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position
September 30, 2025

Total fund balance - total governmental funds		$ 344,401,038
Amounts reported for governmental activities in the statement of net position are different because:		
PID Assessment Receivable is not a current financial resource and therefore is not reported in governmental funds balance sheet.		9,453,290
Equity investment in Joint Venture is not a current financial resource and therefore is not reported in the governmental funds balance sheet.		8,042,383
Lease and subscription assets are not a current financial resource.		3,768,268
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. Includes capital assets of Internal Service Funds.		618,931,577
Deferred outflows of resources are not reported in the governmental funds:		
OPEB contributions after measurement date	70,357	
Pension contributions after measurement date	7,926,116	
Difference in expected and actual Pension Experience	4,272,626	
Changes in OPEB Assumptions	154,151	
Difference in actual OPEB experience	1,452,406	
		13,875,656
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities, capital assets, and long-term liabilities). Internal Service Fund balances are not included in other reconciling items.		
Current assets	$ 20,067,046	
Accounts payable	(2,243,047)	
Net amount allocated to business-type activities	(538,837)	17,285,162
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.		(1,177,289)
Long-term liabilities are not due and payable in the current period, therefore, they are not reported in the governmental funds balance sheet. Does include Internal Service Funds' noncurrent liabilities.		
Due within one year	$ 30,868,650	
Due in more than one year	244,084,924	(274,953,574)
Deferred inflows for unavailable revenues are not reported in governmentwide statements.		1,547,900
Deferred inflows of resources are not reported in the governmental funds:		
Changes in actuarial assumptions used to determine pension liability	(1,467,513)	
Charges on refunding	(340,346)	
Difference in projected and actual earnings on pension assets	(4,770,224)	
OPEB assumption changes	(483,615)	(7,061,698)
Net position of governmental activities		$ 734,112,714

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	General	Debt Service	Streets and Drainage	General and Public Facilities	Parks and Recreation	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
Ad valorem	$ 73,758,024	$ 32,065,549	$ 6,226,603	$ -	$ -	$ 7,833,713	$ 119,883,889
Penalty and interest	232,115	100,754	-	-	-	-	332,869
Sales	52,632,624	-	-	-	-	-	52,632,624
911 fees	1,213,470	-	-	-	-	-	1,213,470
Occupancy	-	-	-	-	-	534,573	534,573
Franchise fees	11,825,120	-	-	128,111	-	-	11,953,231
Assessments	-	-	-	-	410,400	29,568	439,968
Charges for services	6,535,294	-	-	-	292,719	5,014	6,833,027
Intergovernmental	1,390,353	-	981,500	356,839	1,232,251	1,892,659	5,853,602
Licenses and permits	3,407,809	-	-	-	-	78,269	3,486,078
Fines and forfeitures	3,391,933	-	-	74,568	-	621,924	4,088,425
Investment earnings net of change in fair value of investments	4,818,216	92,799	4,365,931	2,815,850	1,406,370	1,661,471	15,160,637
PID assessment revenue	-	-	-	-	-	1,192,967	1,192,967
Miscellaneous	570,952	-	-	3,612,612	42,923	83,755	4,310,242
Total Revenues	159,775,910	32,259,102	11,574,034	6,987,980	3,384,663	13,933,913	227,915,602
Expenditures							
Current:							
General government and administration	23,320,858	-	-	-	-	1,090,405	24,411,263
Public safety	84,652,318	-	-	-	-	431,530	85,083,848
Development services	14,380,229	-	-	-	-	-	14,380,229
Cultural and recreational	16,972,864	-	-	-	-	63,428	17,036,292
PID Development Reimbursement	-	-	-	-	-	1,192,967	1,192,967
Capital outlay	-	-	39,069,654	24,803,699	11,414,726	8,494,425	83,782,504
Debt service:							
Principal retirement	1,332,564	24,115,000	-	73,243	-	-	25,520,807
Interest and fiscal charges	35,060	9,222,993	-	81	-	-	9,258,134
Total Expenditures	140,693,893	33,337,993	39,069,654	24,877,023	11,414,726	11,272,755	260,666,044
Excess (deficiency) of revenues over (under) expenditures	19,082,017	(1,078,891)	(27,495,620)	(17,889,043)	(8,030,063)	2,661,158	(32,750,442)
Other financing sources (uses):							
SBITA issued	44,280	-	-	-	-	-	44,280
Bonds issued	-	-	24,937,182	948,182	5,404,636	-	31,290,000
Premium on bonds issued	-	429,999	1,362,818	51,818	295,364	-	2,139,999
Transfers in	7,393,212	-	4,723,000	23,925,687	3,297,077	1,400,000	40,738,976
Transfers out	(32,579,487)	-	-	-	-	-	(32,579,487)
Total other financing sources (uses)	(25,141,995)	429,999	31,023,000	24,925,687	8,997,077	1,400,000	41,633,768
Net change in fund balances	(6,059,978)	(648,892)	3,527,380	7,036,644	967,014	4,061,158	8,883,326
Fund balances at beginning of year	56,892,019	5,423,039	112,753,651	79,303,685	35,535,909	45,609,409	335,517,712
Fund balances at end of year	**$ 50,832,041**	**$ 4,774,147**	**$ 116,281,031**	**$ 86,340,329**	**$ 36,502,923**	**$ 49,670,567**	**$ 344,401,038**

See accompanying notes to basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds		$	8,883,326
Amounts reported for governmental activities in the statement of activities are different because:			
The City's share of net gain from investment in joint venture is not reflected in fund financial statements			2,699,431
Revenue from court warrants for the City not recognized in fund financial statements on the modified accrual basis is recognized in the government-wide financial statements on the accrual basis			14,393
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital, lease and subscription assets in the current period.			77,448,266
The net effect of various transactions involving capital assets			
Capital contributions	72,022		
Asset retirements/disposals/adjustments	1,106,931		1,178,953
Principal payments on leases			745,031
Amortization of lease assets			(654,044)
SBITA Payment			761,085
SBITA Amortization			(966,524)
Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.			(25,292,165)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activites. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
SBITA Issued	(44,281)		
Bonds issued including premium	(33,429,999)		
Bond principal retirement	24,115,000		
Change in accrued interest on bonds payable	(52,378)		
Amortization of bond premiums	3,471,996		
Amortization of deferred charges on refundings	110,152		(5,829,510)
Expenditures are recognized in the governmental funds when paid or due for items not normally paid with available financial resources. However, the Statement of Activities is presented on an accrual basis and expenses are reported when incurred. This amount is the net effect of these differences.			
Compensated absences expenses	(2,213,537)		
Pension costs & OPEB, net	(658,792)		(2,872,329)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of amount allocated to business-type activities and depreciation expense.			
Change in net position	738,771		
Net of amount allocated to business activities	(9,577)		
Depreciation expense	3,394,029		4,123,223
Change in net position of governmental activities		$	60,239,136

See accompanying notes to basic financial statements.

CARROLLTON

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CITY OF CARROLLTON, TEXAS

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025

	Budgeted Amounts					
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Ad valorem	$ 75,248,757	$ 74,908,049	$ 73,758,024	$ -	$ 73,758,024	$ (1,150,025)
Penalty and interest	300,000	300,000	232,115	-	232,115	(67,885)
Sales	45,973,518	50,787,821	52,632,624	-	52,632,624	1,844,803
911 fees	1,082,742	1,082,742	1,213,470	-	1,213,470	130,728
Franchise fees	11,658,024	11,693,115	11,825,120	-	11,825,120	132,005
Charges for services	5,805,378	6,780,199	6,535,294	-	6,535,294	(244,905)
Intergovernmental	-	-	1,390,353	-	1,390,353	1,390,353
Licenses and permits	2,615,969	2,982,600	3,407,809	-	3,407,809	425,209
Fines and forfeitures	2,810,396	3,409,464	3,391,933	-	3,391,933	(17,531)
Investment earnings						
Net of change in fair value of investments	3,272,040	5,024,232	4,818,216	(37,376)	4,780,840	(243,392)
Miscellaneous	1,206,809	1,402,153	570,952	-	570,952	(831,201)
Total revenues	149,973,633	158,370,375	159,775,910	(37,376)	159,738,534	1,368,159
Expenditures:						
Current:						
General government and administration	33,511,424	32,581,679	23,320,858	170,059	23,490,917	9,090,762
Public safety	82,515,000	84,297,827	84,652,318	395,944	85,048,262	(750,435)
Development services	17,573,006	15,332,039	14,380,229	47,594	14,427,823	904,216
Cultural and recreational	16,866,714	17,509,645	16,972,864	28,079	17,000,943	508,702
Principal retirement	-	-	1,332,564	-	1,332,564	(1,332,564)
Interest and fiscal charges	-	-	35,060	-	35,060	(35,060)
Total expenditures	150,466,144	149,721,190	140,693,893	641,676	141,335,569	8,385,621
Excess (deficiency) of revenues over (under) expenditures	(492,511)	8,649,185	19,082,017	(679,052)	18,402,965	9,753,780
Other financing sources (uses):						
SBITA issued	-	-	44,280	-	44,280	44,280
Transfers in	2,934,577	3,018,126	7,393,212	-	7,393,212	4,375,086
Transfers out	(31,928,687)	(32,688,036)	(32,579,487)	-	(32,579,487)	108,549
Total other financing sources (uses)	(28,994,110)	(29,669,910)	(25,141,995)	-	(25,141,995)	4,527,915
Net change in fund balances	(29,486,621)	(21,020,725)	(6,059,978)	(679,052)	(6,739,030)	14,281,695
Fund balances at beginning of year	56,892,019	56,892,019	56,892,019	-	56,892,019	-
Fund balances at end of year	$ 27,405,398	$ 35,871,294	$ 50,832,041	$ (679,052)	$ 50,152,989	$ 14,281,695

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities-Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Assets					
Current Assets:					
Cash and cash equivalents	$ 52,262,701	$ 2,676,706	$ 28,222	$ 54,967,629	$ 19,610,554
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	5,800,150	-	1,488,170	7,288,320	-
Accrued interest	405,828	14,287	10,661	430,776	161,593
Other	-	155,457	-	155,457	118,578
Inventories	-	-	-	-	55,954
Prepaid items	-	-	-	-	120,367
Restricted assets:					
Cash and cash equivalents	3,144,837	-	-	3,144,837	-
Total current assets	61,613,516	2,846,450	1,527,053	65,987,019	20,067,046
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,004,012	-	-	1,004,012	-
Capital assets:					
SBITA Asset	2,541,322	-	-	2,541,322	-
SBITA-accumulated amortization	(1,545,309)	-	-	(1,545,309)	-
Land	1,334,929	995,000	-	2,329,929	-
Buildings	18,073,186	2,246,196	-	20,319,382	176,409
Equipment	8,112,347	1,776,391	1,460,303	11,349,041	34,247,120
Intangibles	828,392	-	-	828,392	104,714
Improvements	-	17,351,788	-	17,351,788	-
Infrastructure	302,382,281	-	-	302,382,281	-
Construction in progress	825,299	-	-	825,299	-
Accumulated depreciation	(196,600,403)	(17,395,902)	(1,460,303)	(215,456,608)	(18,436,342)
Total capital assets, net of accumulated depreciation	135,952,044	4,973,473	-	140,925,517	16,091,901
Total noncurrent assets	136,956,056	4,973,473	-	141,929,529	16,091,901
Total assets	198,569,572	7,819,923	1,527,053	207,916,548	36,158,947
Deferred outflows of resources					
Pension contributions after measurement date	379,571	-	-	379,571	-
Difference in expected / actual pension experience	169,225	-	-	169,225	-
OPEB contributions after measurement date	3,961	-	-	3,961	-
Changes in OPEB assumptions	9,033	-	-	9,033	-
Difference in expected and actual OPEB experience	74,801	-	-	74,801	-
Total deferred outflows of resources	636,591	-	-	636,591	-
Liabilities					
Current liabilities:					
Accounts payable	4,175,834	152,099	1,063,154	5,391,087	2,243,047
Estimated health claims payable	-	-	-	-	944,180
Customer deposits payable	3,144,837	-	-	3,144,837	-
Due within one year-SBITA	14,468	-	-	14,468	-
Revenue bonds payable	795,000	-	-	795,000	-
Compensated absences	30,774	-	-	30,774	-
Accrued interest	260,279	-	-	260,279	-
Total current liabilities	8,421,192	152,099	1,063,154	9,636,445	3,187,227
Noncurrent liabilities:					
Revenue bonds payable	13,721,688	-	-	13,721,688	-
Net pension liability	75,615	-	-	75,615	-
Total OPEB liability	230,082	-	-	230,082	-
Compensated absences	659,894	-	-	659,894	99,347
Due in more than a year-SBITA	958,702	-	-	958,702	-
Long-term risk liability	-	-	-	-	994,023
Total noncurrent liabilities	15,645,981	-	-	15,645,981	1,093,370
Total liabilities	24,067,173	152,099	1,063,154	25,282,426	4,280,597
Deferred inflows of resources					
Difference in expected and actual pension experience	3,595	-	-	3,595	-
Changes in actuarial assumptions used to determine pension liability	82,162	-	-	82,162	-
Difference in projected and actual earnings on pension assets	318,158	-	-	318,158	-
Deferred Inflow OPEB experience	25,656	-	-	25,656	-
	429,571	-	-	429,571	-
Net Position					
Net investment in capital assets	118,649,931	4,973,473	-	123,623,404	16,091,901
Restricted for:					
Revenue bond retirement	1,004,012	-	-	1,004,012	-
Unrestricted	55,055,476	2,694,351	463,899	58,213,726	15,786,449
Total net position	$ 174,709,419	$ 7,667,824	$ 463,899	$ 182,841,142	$ 31,878,350
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				538,837	
Net position of business-type activities				$ 183,379,979	

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	$ 60,645,058	$ 1,160,997	$ 13,274,616	$ 75,080,671	$ 24,689,777
Miscellaneous	786,242	392,595	-	1,178,837	-
Total operating revenues	61,431,300	1,553,592	13,274,616	76,259,508	24,689,777
Operating expenses:					
Personnel services	5,516,342	-	-	5,516,342	1,182,699
Supplies and services	43,013,299	-	11,648,522	54,661,821	19,028,134
Utilities	2,545,450	179,005	-	2,724,455	35,725
Allocations	1,644,723	11,704	206,572	1,862,999	58,538
Depreciation and amortization	6,906,893	598,903	-	7,505,796	3,394,029
Total operating expenses	59,626,707	789,612	11,855,094	72,271,413	23,699,125
Income (loss) from operations	1,804,593	763,980	1,419,522	3,988,095	990,652
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	2,377,146	117,875	30,341	2,525,362	911,491
Gain (loss) on sale/retirement of capital assets	144,436	785	-	145,221	(47,723)
Interest expense	(526,329)	-	-	(526,329)	-
Total nonoperating revenues (expenses)	1,995,253	118,660	30,341	2,144,254	863,768
Income before contributions and transfers	3,799,846	882,640	1,449,863	6,132,349	1,854,420
Capital contributions	285,630	-	-	285,630	-
Transfers in	-	-	510,800	510,800	-
Transfers out	(5,308,392)	(352,077)	(1,894,170)	(7,554,639)	(1,115,649)
Change in net position	(1,222,916)	530,563	66,493	(625,860)	738,771
Net position at beginning of year	175,932,335	7,137,261	397,406		31,139,580
Net position at end of year	$ 174,709,419	$ 7,667,824	$ 463,899		$ 31,878,350

Reconiliation to government-wide statement of activities:	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(9,577)
Change in net position of business-type activities	$(635,437)

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Cash flows from operating activities:					
Cash received from customers for services	63,143,643	$ 1,439,191	$ 13,333,319	$ 77,916,153	$ -
Cash received from employees for services	-	-	-	-	2,383,470
Cash received from other funds for services	-	-	-	-	22,306,308
Cash received from loss claim recoveries	-	-	-	-	6,081,202
Other operating cash receipts	786,242	-	-	786,242	-
Cash payments to suppliers for goods and services	(46,908,946)	-	(12,262,632)	(59,171,578)	(7,179,616)
Cash payments to employees for services	(5,258,496)	-	-	(5,258,496)	(348,073)
Cash payment for loss claims	-	-	-	-	(19,084,862)
Cash payments to other funds for services	(2,170,010)	(11,704)	(206,572)	(2,388,286)	(93,916)
Net cash provided by operating activities	9,592,433	1,427,487	864,115	11,884,035	4,064,513
Cash flows from noncapital financing activities:					
Transers In	-	-	510,800	510,800	-
Transfers out	(5,308,392)	(352,077)	(1,894,170)	(7,554,639)	(1,115,649)
Net cash provided by (used in) noncapital financing activities	(5,308,392)	(352,077)	(1,383,370)	(7,043,839)	(1,115,649)
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(14,882,469)	(1,752,454)	-	(16,634,923)	(7,675,812)
Proceeds from sale of capital assets	318,871	785	-	319,656	390,400
Interest paid on bonds	(604,230)	-	-	(604,230)	-
Retirement of bonds	(815,000)	-	-	(815,000)	-
Interest payments on SBITA liability	(36,852)	-	-	(36,852)	-
Payments on SBITA liability	(475,668)	-	-	(475,668)	-
Capital contributions	285,630	-	-	285,630	-
Net cash provided by (used in) capital and related financing activities	(16,209,718)	(1,751,669)	-	(17,961,387)	(7,285,412)
Cash flows from investing activities:					
Investment return on cash and cash equivalents	2,287,379	113,729	29,080	2,430,188	880,216
Net increase (decrease) in cash and cash equivalents	(9,638,298)	(562,530)	(490,175)	(10,691,003)	(3,456,332)
Cash and cash equivalents, October 1	66,049,848	3,239,236	518,397	69,807,481	23,066,886
Cash and cash equivalents, September 30	$ 56,411,550	$ 2,676,706	$ 28,222	$ 59,116,478	$ 19,610,553

(Continued)

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Reconciliation of income from operations to net cash provided by operating activities:					
Income (loss) from operations	$ 1,804,593	$ 763,980	$ 1,419,522	$ 3,988,095	$ 990,652
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:					
Depreciation and amortization	6,906,893	598,903	-	7,505,796	3,394,029
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2,543,680	-	62,194	2,605,874	
(Increase) decrease in other receivables	-	(10,828)	-	(10,828)	74,741
(Increase) decrease in inventories	-	-	-	-	39,725
(Increase) decrease in pension related deferred outflows	(3,907)	-	-	(3,907)	-
(Increase) decrease in OPEB related deferred outflows	10,011	-	-	10,011	-
Increase (decrease) in accounts payable	(1,153,413)	75,432	(617,601)	(1,695,582)	(9,212)
Increase (decrease) in estimated health claims payable	-	-	-	-	154,495
Increase (decrease) in customer deposits payable	(45,095)	-	-	(45,095)	
Increase (decrease) in net pension liability	(726,658)	-	-	(726,658)	-
Increase (decrease) in net OPEB liability	1,296	-	-	1,296	-
Increase (decrease) in liability for compensated absences	(12,037)	-	-	(12,037)	3,068
Increase (decrease) in long-term risk liability	-	-	-	-	(582,984)
Increase (decrease) in OPEB related deferred inflows	5,119	-	-	5,119	-
Increase (decrease) in pension related deferred inflows	261,951	-	-	261,951	-
Net cash provided by (used in) operating activities	$ 9,592,433	$ 1,427,487	$ 864,115	$ 11,884,035	$ 4,064,513

Noncash investing, capital and financing activities:
The Enterprise Funds received $58,314 of noncash capital contributions from developers consisting of water and sewer infrastructure.
Retainage and capital-related accounts payable as of 9/30/2025 equals $2,379,986.

Reconciliation of total cash and cash equivalents:					
Current assets:					
Cash and cash equivalents	$ 52,262,701	$ 2,676,706	$ 28,222	$ 54,967,629	$ 19,610,553
Restricted assets - cash and cash equivalents	3,144,837	-	-	3,144,837	-
Noncurrent assets:					
Restricted assets - cash and cash equivalents	1,004,012	-	-	1,004,012	-
Total cash and cash equivalents	$ 56,411,550	$ 2,676,706	$ 28,222	$ 59,116,478	$ 19,610,553

See accompanying notes to basic financial statements.

CARROLLTON

TEXAS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

Incorporated on June 14, 1913, the City of Carrollton operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Based on this criterion, the City has no component units.

C. Basis of Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges from the City's water, sewer and sanitation functions and various other functions. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operation or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund
General Fund is the main operation fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund
Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Streets and Drainage Fund
Streets and Drainage Fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets, and drainage improvements in the City.

General and Public Facilities Fund
General and Public Facilities Fund is used to account for funds received and expended for construction, renovation, expansion, and major improvement of various City facilities, acquisition of land, and other large nonrecurring projects.

Parks and Recreation Fund
Parks and Recreation Fund is used to account for funds received and expended for construction, renovation, expansion and major improvement of various City Parks and Recreation facilities, acquisition of land, and other large nonrecurring projects.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Water and Sewer Fund
Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the funds.

Golf Course Fund
Golf Course Fund is used to account for payments received from the contractor and improvements made to the City's golf course; including administration, operation and maintenance. The City has designated it as a major fund.

Sanitation Fund
Sanitation Fund is used to account for billing, collection, and payment for solid waste collection and disposal services. All costs are financed through charges to sanitation customers. The City has designated it as a major fund.

Additionally, the City reports the Internal Service Funds, which are used to account for the fleet management services, self-funded property and casualty insurance provided to the departments of the City and self-funded health and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) and all deferred inflows and outflows of resources are included on the Statement of Net Position. The operating statements present increases (revenues) and decreases (expenses) in net unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers most revenues as available if they are collected within 45 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences, are recorded only when payment has matured and will be payable shortly after year-end.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, intergovernmental revenues and court fines and fees. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received as they are deemed immaterial. Taxes, franchise fees, and court fines and fees are deemed available if they are collected within 45 days of the year end. Sales taxes are deemed available if they are collected within 60 days of the year end.

E. Budgetary Control

Annual budgets are adopted for all governmental funds except for the capital projects funds, which adopt project-length budgets.

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 1.

Upon receipt of the budget estimates, the Council holds a public hearing on the proposed budget. Information about the Budget ordinance is then published in the official newspaper of the City.

At least ten days prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and department within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted. Budget amendments that occurred throughout the year ensured proper recording of expenditures in appropriate funds. In addition, the major budget adjustments during mid-year re-estimates to reflect changes to expected sales tax revenue and capital contribution to the Utility Fund. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of

encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

F. Cash, Cash Equivalents, and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General fund and interfund payables of the deficit fund.

Investments in government pools are recorded at amortized cost or NAV. All other investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

H. Inventories

The inventories in the Internal Service Funds consist of fuel supplies and are recorded at cost using the first-in/first-out method.

I. Prepaid Items

The City utilizes the consumption method to account for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

J. Equity Interest in Joint Venture and Shared Radio System

During Fiscal year 2014, the Town of Addison, City of Carrollton, City of Coppell, and City of Farmers Branch (the "Cities") formed a joint venture, the North Texas Emergency Communications Center, Inc. (NTECC), to establish and operate a joint public safety dispatch center. The Cities are responsible for funding capital and operating costs of NTECC. The City of Carrollton's equity interest in NTECC of $8,042,383 as of September 30, 2025, is recorded as Equity Interest in Joint Venture in the Governmental Activities on the Government-wide Statement of Net Position. Audited financial statements for NTECC can be obtained from the Finance Department at 1945 E. Jackson Rd, Carrollton, TX 75006, by calling 972-466-3110 or by email at Accounting@cityofcarrollton.com.

Additionally, the Cities have also entered into an interlocal agreement to jointly procure a public safety radio system. While this agreement did not include the formation of a separate legal joint venture entity, NTECC has been contracted to manage all shared aspects of the radio system. The Cities are each responsible for funding a portion of the radio system. The City of Carrollton's portion of the system costs as of September 30, 2025 is included in the costs for the dispatch center.

In 2025 the Cities entered into an agreement to build a new facility for NTECC. Land was purchased in 2025 in Carrollton which is jointly owed by the Cities. The building was designed and broke ground in 2025 with an expected completion in 2026. The Cities are responsible for funding a portion of the building. The City of Carrollton's portion of the costs as of September 30, 2025 is included in the costs for NTECC.

K. Land Held for Redevelopment

Land held for redevelopment is valued at the lower of estimated realizable value or historical acquisition cost.

L. Restricted Assets

Certain cash and investments balances are restricted by various legal and contractual obligations.

The following table summarizes the restricted cash and investments:

Restricted Cash and Investments		
Governmental Activities:		
Debt Service Fund	$	4,390,316
Bond Construction Account		31,063,121
Other Capital Project Funds		7,845,265
Special Revenue Funds		3,906,912
		47,205,614
Business-Type Activities:		
Revenue Bond Accrued Interest Payable		260,279
Current Maturities of Revenue Bonds		331,250
Reserve for Revenue Bond Retirement		412,483
Customer Deposits		3,144,837
		4,148,849
Total Restricted Cash and Investments	$	51,354,463

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Leased assets are discussed in Note 4.

Outlays for capital assets are capitalized as projects are constructed. Infrastructure assets begin depreciating at the end of year in which costs are incurred. Other constructed capital assets begin depreciating when the asset is placed in service.

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of $250,000 or more. Right to use assets have a capitalization threshold of $25,000. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 Years
Equipment	2.5 – 20 Years
Leased Equipment	2 - 10 Years
Intangibles	4 – 20 Years
Improvements	10 – 40 Years
Infrastructure	20 – 40 Years

Subscription Assets
Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

N. Pensions & OPEB

For purposes of measuring the net pension liability/(asset), pension-related deferred outflows and inflows of resources, and pension expense, City-specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS), and additions to/deductions from the City's Fiduciary Net Position, have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported

at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Codification Section P20 – Pension Activities.

For the purpose of measuring the total other post-employment benefits (OPEB) liability, OPEB-related deferred outflows and inflows of resources, and OPEB expense in the City's defined benefit health plan (Plan) have been determined on the same basis as they are reported by the plan. For this purpose, plan benefits are recognized when due and payable in accordance with the benefit terms. The City's Total OPEB Liability is obtained through a report prepared for the City by consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Codification Section P50 - Post-employment Benefits Other than Pensions.

O. Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 432 hours for Fire Shift Civil Service employees and up to 288 hours for all other employees. City employees may accrue holiday time and can be carried over for usage for the following fiscal year. Carried over holiday hours not used by the end of the second fiscal year will be considered expired and unavailable for use. Upon termination, employees are entitled to be paid for accumulated leave as follows:

Vacation Leave:

- Civil Service employees who have completed six full months of service and Non-Civil Service employees hired on or before January 1, 2011, will be paid any accumulated vacation leave.
- Non-Civil Service employees hired after January 1, 2011, who have completed six full months of service will be paid for accumulated vacation leave up to a maximum of 120 hours.

Sick Leave:

Civil Service Fire Shift employees who have completed one full year of service will be paid for accumulated sick leave up to 1,440 hours.

- All other Civil Service employees who have completed one full year of service, and Non-Civil Service employees hired on or before January 1, 2010, will be paid for accumulated sick leave up to 960 hours.
- Non-Civil Service employees hired after January 1, 2010 will not be paid for accumulated sick leave.

Holiday Leave

- Civil Service fire employees on shift schedule may "bank" a maximum of 216 hours.
- Detention and Civil Service full-time employees (not to include fire on-shift employees) may bank up to 108 hours.
- Non-Civil Services full-time employess (not including Detention employees) may bank up to a maximum 72 hours.
- Non-Civil Service part time employees may bank up to a maximum of 54 hours.

- Employees who have completed six (6) full months of service will be paid for any banked holiday hours, not to exceed the maximumn hours allowed.

P. Nature and Purpose of Classifications of Fund Balances

Governmental Funds fund balances classified as nonspendable are balances that cannot be spent because its either a nonspendable form or must be kept intact due to contractual requirements. Fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws, or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

Q. Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days budgeted expenditures.

R. Net Position

Net Position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in the proprietary funds and in the government-wide statements. Net investment in capital assets consists of capital, lease, and subscription assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted for revenue bond retirement in the Water and Sewer Fund is a reserve required by revenue bond covenants.

The City utilizes bond funds (restricted) before unrestricted funds.

S. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Proprietary funds a predetermined allocated amount for administrative services for budget purposes. During the year ended September 30, 2025, the City allocated $3,527,652 as a budgetary transfer.

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Differences between actuarial assumptions used and actual experience for determination of OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine OPEB liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in expected and actual pension experience - This difference is the gap between the expected expenses and actual expenses based on actuarial assumptions.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future reporting period and will not be recognized as an inflow of resources (revenue) until that time. This year the City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Difference in projected and actual earnings on Pension assets - This difference is deferred and amoritized over a closed five-year period.
- Changes in actuarial assumptions used to determine pension and OPEB liability – This difference is deferred amortized over the estimated average remaining lives of all member determined as of the measurement date.
- Deferred inflows related to leases – This amount is deferred and amortized over the life of lease term.

- Unavailable revenue (governmental fund level only) - Deferred inflow of resources that represents amounts earned, but which are not available.

U. Accounts payable at September 30, 2025 for the government's individual major funds, which have payables, and non-major in the aggregate are as follows:

	General	Debt Service	Streets and Drainage	General and Public Facilities	Parks and Recreation	Other Governmental Funds	Total
Accounts payable							
Retainage payable	$ -	$ -	$ 2,137,083	$ 72,661	$ 369,390	$ 279,986	$ 2,859,120
Accrued payroll liabilties	4,772,853	-	13,676	3,527	3,534	12,860	4,806,450
Accounts payable	3,143,499	-	5,310,332	974,207	1,849,737	1,855,533	13,133,308
Total accounts payable	$ 7,916,352	$ -	$ 7,461,091	$ 1,050,395	$ 2,222,661	$ 2,148,379	$ 20,798,878

	Business-Type Activites - Enterprise Funds				Governmental Activities
	Water and Sewer	Golf Course	Sanitation	Total	Internal Service Funds
Accounts payable					
Retainage payable	$ 1,496,250	$ -	$ -	$ 1,496,250	$ -
Accrued payroll liabilties	177,328	-	-	177,328	1,896,592
Accounts payable	2,502,256	152,099	1,063,154	3,717,509	346,455
Total accounts payable	$ 4,175,834	$ 152,099	$ 1,063,154	$ 5,391,087	$ 2,243,047

(2) BUDGET BASIS OF ACCOUNTING:

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP). Unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

Adjustments necessary to convert the General Fund's net change in fund balances on the budget basis to a GAAP basis are as follows:

Net change in fund balance - budget basis	$	(6,739,030)
End of year adjustment for encumbrances not recognized as expenditures		641,676
Unrealized investment gain recognized for GAAP basis only		(37,376)
Net change in fund balance - GAAP basis	$	(6,059,978)

(3) DEPOSITS AND INVESTMENTS:

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations, or its agencies and instrumentalities, or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the City that exceeded the federal depository insurance coverage level of $250,000 per account were covered by collateral held by BNY Mellon, N.A. Bank in the City's name under a joint safekeeping agreement with Frost Bank. The market value of the collateral held at BNY Mellon, N.A. in the City's name at fiscal year-end was $1,728,838.

At September 30, 2025, the carrying amount of the City's deposits was $1,169,206 and the respective bank balances totaled $1,580,492, and the City's cash on hand totaled $9,320 for petty cash and change funds. The City monitors bank balances on a daily basis and transfers funds as needed to maximize investment earnings.

Investments – State statutes, City investment policy, City bond ordinances, and City resolutions authorize the City's investments. The City is authorized to invest in the following: U.S. Government obligations and its agencies or instrumentalities; direct obligation of this state or its agencies and instrumentalities, including the Federal Home Loan Bank; collateralize mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only, or an interest only); obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm no less than A or its equivalent rating; bonds issued, assumed or guaranteed by the State of Israel; no-load SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable securities, obligations of Texas and its agencies; fully collateralized repurchase agreements and reverse repurchase agreements; prime domestic commercial paper; prime domestic bankers' acceptances; guaranteed investment contracts; securities lending program consisting of authorized investments by the City's investment policy; insured or collateralized certificated of deposit; government pools; and no-load SEC registered money-market funds consisting of any of these securities listed with a dollar-weighted average stated maturity of 90 days or less and with an investment objective of a stable net asset value of $1 for each share. For additional information, see the City of Carrollton Investment Policy at www.cityofcarrollton.com.

The City's investments balances as of September 30, 2025, were:

Investments:	Fair Market Value	Weighted Average Maturity (Years)	Credit Risk
Coupon Agencies	$ 163,955,920	0.42	AA+ - AAA
Municipal Bonds	73,289,630	0.22	AA- - AAA
Treasuries	107,447,788	0.32	AA+
Government Pools	75,810,017	0.02	AAAm
Total Fair Market Value	$ 420,503,355		
Portfolio Weighted Average Maturity		0.98	

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool uses amortized cost and LOGIC, Texas CLASS, and Texas Term use NAV to value portfolio assets. As is legally permissible for municipalities and school districts in the state, TexPool and TexasTerm Daily invest in a high-quality portfolio of debt securities, and Texas Class and LOGIC invest in a high-quality portfolio of short-term investments.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2025, the City has the recurring fair value measurements for coupon, treasury notes and municipal bonds of $344,693,338 valued using quoted prices for similar assets in active markets. (Level 2 inputs.) Investments in local government investment pools valued at amortized cost or NAV as of September 30, 2025 total $75,810,017.

Interest Rate Risk – In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized the interest rate risk in the portfolio, related to current market events, by: limiting the weighted average maturity to a maximum of 2.5 years; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

Concentration of Credit Risk – In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized concentration of credit risk, by: limiting investments in specific local governmental pools to no more than 40 percent of the investment portfolio; staggering maturities and potential call dates; and limiting investments to no more that 5% of the investment portfolio in commercial paper and bankers' acceptances of a single issuer. As of September 30, 2025, 5% or more of the City's total investment are in: Treasury Bonds (25.55%), Federal Farm Credit Bank (13.35%), Federal Agricultural Mortgage Corporation (11.70%), Federal Home Loan Bank (10.59%), TexasCLASS (9.85%), and Logic (7.23%).

(4) CAPITAL, LEASE, AND SUBSCRIPTION ASSETS

Capital asset activity for the year-ended September 30, 2025, was as follows:

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental Activities				
Capital Assets not being depreciated:				
Land	$ 100,124,774	$ 10,585	$ -	$ 100,135,359
Construction in Progress	36,597,158	76,853,755	(64,831,128)	48,619,786
Total Capital Assets not being depreciated	136,721,932	76,864,340	(64,831,128)	148,755,145
Capital Assets being depreciated:				
Buildings	89,816,168	2,177,316	-	91,993,484
Equipment	64,703,693	11,604,984	(4,567,890)	71,740,787
Intangibles	10,756,801	-	-	10,756,801
Improvements	68,528,471	7,356,420		75,884,891
Infrastructure	497,613,577	53,335,938		550,949,515
Total Capital Assets being depreciated	731,418,710	74,474,659	(4,567,890)	801,325,478
Less accumulated depreciation for:				
Buildings	(62,535,701)	(2,052,452)	-	(64,588,153)
Equipment	(44,530,023)	(5,790,112)	4,032,679	(46,287,456)
Intangibles	(9,528,475)	(765,022)	-	(10,293,497)
Improvements	(31,343,667)	(1,906,729)		(33,250,396)
Infrastructure	(161,951,693)	(14,777,851)		(176,729,544)
Total accumulated depreciation	(309,889,559)	(25,292,165)	4,032,679	(331,149,045)
Total Capital Assets being depreciated, net	421,529,151	49,182,494	(535,210)	470,176,433
Governmental Activities Capital Assets, net	$ 558,251,083	$ 126,046,834	$ (65,366,338)	$ 618,931,577

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Business-Type Activities				
Capital Assets not being depreciated:				
Land	$ 2,329,929	$ -	$ -	$ 2,329,929
Construction in Progress	791,205	34,094	-	825,299
Total Capital Assets not being depreciated	3,121,133	34,094	-	3,155,228
Capital Assets being depreciated:				
Buildings	19,998,757	320,625	-	20,319,382
Equipment	10,390,461	1,684,961	(726,381)	11,349,041
Intangibles	828,392	-		828,392
Improvements	16,254,817	1,096,971	-	17,351,788
Infrastructure	287,459,055	14,923,226	-	302,382,281
Total Capital Assets being depreciated	334,931,481	18,025,783	(726,381)	352,230,884
Less accumulated depreciation for:				
Buildings	(18,730,704)	(299,491)	-	(19,030,195)
Equipment	(7,512,656)	(689,582)	726,381	(7,475,857)
Intangibles	(808,719)	(9,850)		(818,569)
Improvements	(13,887,414)	(519,347)	-	(14,406,761)
Infrastructure	(167,737,698)	(5,987,526)	-	(173,725,224)
Total accumulated depreciation	(208,677,192)	(7,505,796)	726,381	(215,456,608)
Total Capital Assets being depreciated, net	126,254,289	10,519,988	-	136,774,276
Business-Type Activities Capital Assets, net	$ 129,375,422	$ 10,554,083	$ -	$ 139,929,505

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Depreciation Expense	
Governmental Activities:	
General Government and Administration	$ 4,558,703
Public Safety	2,305,566
Development Services	15,428,334
Cultural and Recreational	2,999,562
Total Depreciation Expense	$ 25,292,165
Business-Type Activities:	
Water and Sewer	$ 6,906,893
Golf Course	598,903
Sanitation	-
Total Depreciation Expense	$ 7,505,796

Lease asset activity, which is included with capital assets, for the year-ended September 30, 2025, was as follows:

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental Activities				
Lease assets				
Equipment	$ 4,785,866	$ -	$ -	$ 4,785,866
Infrastructure	432,025	-	-	432,025
Total leased assets being amortized	5,217,891	-	-	5,217,891
Less accumulated amortization for:				
Lease assets				
Equipment	(1,571,598)	(523,866)	-	(2,095,464)
Infrastructure	(194,447)	(130,178)	-	(324,625)
Total accumulated amortization	(1,766,045)	(654,044)	-	(2,420,089)
Total lease assets being amortized, net	$ 3,451,846	$ (654,044)	$ -	$ 2,797,801

Amortization expense was charged as direct expense to programs of the primary government as follows:

Amortization Expense	
Governmental Activities:	
General Government and Administration	$ 57,171
Public Safety	523,866
Development Services	73,007
Total Amortization Expense	$ 654,044

Subscription asset activity, which is included with capital assets, for the year-ended September 30, 2025, was as follows:

	Balance October 1	**Additions/ Completions**	**Retirements/ Adjustments**	**Balance September 30**
Governmental Activities				
Subscription assets				
Software	4,544,818	44,280	(1,875,897)	2,713,201
Business Activities				
Subscription assets				
Software	2,541,322	-	-	2,541,322
Total subscription assets being amortized	7,086,140	44,280	(1,875,897)	5,254,523
Less accumulated amortization for:				
Governmental Activities				
Subscription assets				
Software	(2,652,108)	(966,524)	1,875,897	(1,742,735)
Business Activities				
Subscription assets				
Software	(1,026,797)	(518,512)	-	(1,545,309)
Total accumulated amortization	(3,678,905)	(1,485,036)	1,875,897	(3,288,044)
Total subscription assets being amortized, net	$ 3,407,235	$ (1,440,756)	$ -	$ 1,966,479

Amortization expense was charged as direct expense to programs of the primary government as follows:

Amortization Expense		
Governmental Activities:		
General Governmental and Administration	$	884,879
Public Safety		49,626
Cultural and Recreation		32,019
		966,524
Business Activities:		
Utilities		518,512
Total Amortization Expense	$	1,485,036

(5) LONG-TERM DEBT AND LIABILITIES:

General Obligation Bonds

General obligation bonds provide funds for the acquisition and construction of major capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds require the City to compute, at the time property taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

During the year, the City issued General Obligation (GO) Improvement Bonds Series 2025 generating proceeds of $33,429,999, including premium, to fund capital improvements in the amount of $33,000,000 and to pay costs of issuance.

Additionally, during the year, the City used cash from its Debt Service Fund to partially redeem $4,725,000 in par amount of previously issued and outstanding 2015 GO Improvement Bonds. The City realized net present value of savings of $1,559,150 as a result of the redemption of this outstanding debt.

At September 30, 2025, general obligation bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding at Par
Improvement, Series 2014	3 - 3.75	4/15/2014	8/15/2031	6,305,000
Improvement and Refunding, Series 2015	2.2 - 5	5/1/2015	8/15/2031	6,965,000
Improvement and Refunding, Series 2016	3 - 5	5/15/2016	8/15/2031	11,130,000
Improvement, Series 2017	4 - 5	4/1/2017	8/15/2032	10,335,000
Improvement, Series 2018	3 - 5	5/1/2018	8/15/2033	11,915,000
Improvement and Refunding, Series 2019	4 - 5	5/1/2019	8/15/2034	23,395,000
Improvement, Series 2020	4 - 5	6/4/2020	8/15/2035	14,500,000
Improvement and Refunding, Series 2021	2 - 5	6/1/2021	8/15/2036	18,020,000
Improvement and Refunding, Series 2022	3.25 - 5	6/1/2022	8/15/2037	17,040,000
Improvement and Refunding, Series 2023	5	5/1/2023	8/15/2038	25,595,000
Improvement, Series 2024	5	6/20/2024	8/15/2039	25,735,000
Improvement, Series 2025	4 - 5	7/8/2025	8/15/2040	31,290,000
				$ 202,225,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds	Governmental Activities		
Year Ending September 30	Principal	Interest	Total
2026	25,185,000	9,235,816	34,420,816
2027	20,045,000	7,854,553	27,899,553
2028	19,500,000	6,937,653	26,437,653
2029	19,235,000	6,030,846	25,265,846
2030	18,265,000	5,167,634	23,432,634
2031-2035	68,390,000	15,216,392	83,606,392
2036-2040	31,605,000	3,562,150	35,167,150
Total	$ 202,225,000	$ 54,005,044	$ 256,230,044

Revenue Bonds –

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system, and second, to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. For fiscal year 2025, net revenue available for debt service was 5.8 times the average annual debt service requirement. The ordinances also contain provisions, which,

among other items, restrict amounts and certain financial ratios are met. Management of the City believes that it is in compliance with all significant financial requirements as of September 30, 2025.

At September 30, 2025, revenue bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding at Par
Waterworks and Sewer System Revenue				
Improvement, Series 2019	4-5	5/1/2019	5/1/2034	6,050,000
Improvement, Series 2024	5	6/20/2024	5/1/2044	7,185,000
				$ 13,235,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Revenue Bonds			
	Business-Type Activities		
Year Ending September 30	**Principal**	**Interest**	**Total**
2026	795,000	618,850	1,413,850
2027	830,000	579,100	1,409,100
2028	875,000	537,600	1,412,600
2029	915,000	493,850	1,408,850
2030	960,000	454,550	1,414,550
2031-2035	4,630,000	1,617,350	6,247,350
2036-2040	2,120,000	855,500	2,975,500
2041-2044	$ 2,110,000	$ 270,000	2,380,000
Total	$ 13,235,000	$ 5,426,800	$ 18,661,800

Bonds Authorized and Unissued – As of September 30, 2025, the City had $61,255,000 in authorized but unissued general obligation bonds. The City anticipates issuing $33,250,000 during FY2026, which will reduce the remaining authorized and unissued amount to $28,005,000.

Net Pension Liability – The net pension liability represents the actuarially-determined liability for employees' projected pension benefit payments to be provided to current active and inactive employees; that is attributed to those employees' past periods of service, less the pension plan's fiduciary net position. The City allocates pension items between governmental activities and business type activities on the basis of employee payroll funding. The General Fund and Water and Sewer Fund are primarily responsibilities for the funding of the liability.

Compensated Absences – Compensated absences represent the estimated liability for employees' accrued vacation, sick and holiday leave for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General fund, Enterprise Funds, and Internal Service Funds based on the assignment of an employee at termination. The change in compensated absences is presented as a net amount, in accordance with GASB 101.

Health Claims Liability – Health claims liability represents an estimate of self-insured claims liability outstanding of the Employee Health and Disability Internal Service Fund. All health claims are expected to be paid within one year.

Long-term Risk Liability – The long-term risk liability is related to the City's self-insured retention program accounted for in the Risk Management Internal Service Fund.

The Total OPEB Liability/(TOL) – The TOL represents an actuarially determined present value liability for retiree health benefits earned to date for active and retiree members of the closed defined benefit retiree health plan. The City includes OPEB items within the governmental and business-type activities on the basis of employee payroll funding. The General Fund and Water and Sewer Fund are primarily responsible for the funding of the liability.

Note Payable in Governmental Funds – Represents the amount owed for the Castle Hills Public Improvement District (PID) to the developer that will be paid by PID collections from property owners within the PIDS. Amount owed is contingent upon collection from property owners. Each PID has a maturity of 20 years, but individual parcel owners may pay off their PID assessment without a prepayment penalty.

Changes in long-term liabilities – On the next schedule, the additions to the General Obligation Bonds in the Governmental Type Activities represent the issuance of $31,290,000 of General Obligation Improvement Bonds, Series 2025.

Lease Liabilities - Represents the obligation to make lease payments and is measured at the present value of future lease payments.

Subscription Liabilities - Represents the obligation to make subscription payments and is measured at the present value of future subscription payments.

Transactions for the year ended September 30, 2025 are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	$ 195,050,000	$ 31,290,000	$ (24,115,000)	$ 202,225,000	$ 25,185,000
Premiums	26,489,345	2,139,999	(3,471,966)	25,157,378	2,499,886
Total Bonds Payable	221,539,345	33,429,999	(27,586,966)	227,382,378	27,684,886
Compensated Absences	18,730,496	2,213,537	-	20,944,033	1,205,893
Health Claims Liability	789,685	154,495	-	944,180	944,180
Other Postemployment Benefits Liability	4,964,392	46,024	(23,012)	4,987,404	-
Pension Liability	21,840,858	-	(15,174,155)	6,666,703	-
Lease Liability	3,538,801	-	(745,031)	2,793,770	636,948
SBITA Liability	1,447,276	44,280	(761,085)	730,471	396,744
PID Notes Payable	9,922,530	-	(469,241)	9,453,290	-
Long-Term Risk Liability	1,578,008	-	(583,985)	994,023	-
Total Governmental Activities	284,351,391	35,888,335	(45,343,475)	274,896,252	30,868,651
Business-Type Activities					
Bonds Payable:					
Revenue Bonds	$ 14,050,000	$ -	$ (815,000)	$ 13,235,000	$ 795,000
Premiums	1,389,592	-	(107,901)	1,281,690	105,998
Total Bonds Payable	15,439,592	-	(922,901)	14,516,690	900,998
Compensated Absences	702,706	(12,038)	-	690,668	30,774
Pension Liability	802,273	-	(726,658)	75,615	-
SBITA Liability	1,448,837	14,468	(490,136)	973,168	490,136
Other Postemployment Benefits Liability	228,786	1,296	-	230,082	-
Total Business-Type Activities	18,622,194	3,726	(2,139,695)	16,486,223	1,421,908
Total Government	$ 302,973,585	$ 35,892,061	$ (47,483,170)	$ 291,382,475	$ 32,290,558

(6) PROPERTY AND SALES TAXES:

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value, less applicable exemptions, authorized by the City Council or required by State Law. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The city usually waits until after May 1 and July 1 to file suits on business personal property and real property, respectively. As of July 1, 20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2025 were 99.17% of the tax levy.

Property taxes at the fund level are recorded as receivables at the time the taxes are levied. Revenues are recognized as the related ad valorem taxes are collected, including those collected 45 days after year-end.

The City Charter does not provide for a debt limit; therefore, no computation can be made. However, at September 30, 2025, the City had a tax margin of approximately $1.96 for every $100 valuation based upon a maximum ad valorem tax of $2.50 for every $100 valuation imposed by Texas Constitutional law.

In Texas, central appraisal districts are required under the Property Tax Code to assess all property within its respective county on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this legislation, the City continues to set City tax rates on property within its boundaries. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year. In the 2019 fiscal year, the state legislature passed a tax reform measure that among other things made a rollback election mandatory if property tax revenue will be more than 3.5% more than the “no new revenue rate” formerly know as the effective rate.

Sales and use tax is authorized under state law with the City’s levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City; remitting to the City, on a monthly basis, all taxes collected less a 2% service fee.

The State of Texas utilizes origin-based sourcing for most municipal sales transactions. Under this approach, sales tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the State the purchaser resides, or the product is shipped. Origin sourcing can produce large individual sales and use taxpayers to specific jurisdictions. As a result, sales and use tax can fluctuate, not only due to general economic factors, but also due to relocations of businesses between taxing jurisdictions. The Comptroller revised Texas Administrative Code Section 3.334 which sets forth how sales tax is handled: origin based or destination-based. This change was to be effective October 1, 2021 but has been challenged by several cities, including Carrollton. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

Use tax relates to sales of goods or services shipped into the State by sellers without a physical presence in the State. Use tax is generally on a destination basis.

(7) EMPLOYEE BENEFIT PLANS:

A. Texas Municipal Retirement System (TMRS)

Plan Description:

The City participates as one of over 900 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided:

TMRS provides retirement disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Member may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1993, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	50% of CPI Repeating

The City's employees do not participate in Social Security.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	858
Inactive employees entitled to but not yet receiving benefits	850
Active employees	889
	2,597

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City of Carrollton were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2025, the City made contributions of 12.62% for the months in calendar year 2024 and 13.13% for the months in calendar year 2025. The City provided for an additional voluntary contribution of 1.00 percentage points over the required contribution of 11.62% for the months in 2024 and 1.00 percentage points over the actuarially required contribution of 12.13% for the months in 2025. During the 2025 fiscal year, employees contributed $5,801,332 and the City contributed $10,781,624 which was $828,762 more than the actuarially required contribution.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the total pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions –

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, health retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return in pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.0%	7.1%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Hedge Funds	5.0%	6.4%
Private Eqity	13.0%	8.5%
Private Debt	13.0%	8.2%
Real Estate	12.0%	6.7%
Infrastructure	6.0%	6.0%
Other Private Markets	4.0%	7.3%
Total	100.0%	

Discount Rate – The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability/(Asset) –

	Increase (Decrease)		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
	(a)	**(b)**	**(a)-(b)**
Balance at 12/31/2023	$ 534,793,431	$ 512,150,500	22,642,931
Charges for the year:			
Service Cost	12,578,320	-	12,578,320
Interest	35,634,908	-	35,634,908
Difference between expected and actual experience	4,138,627	-	4,138,627
Contributions - Employer	-	9,966,192	(9,966,192)
Contributions - Employee	-	5,530,148	(5,530,148)
Net Investment Income	-	53,105,396	(53,105,396)
Benefit Payments, including refunds of employee contributions	(26,316,052)	(26,316,052)	-
Administrative Expense	-	(341,286)	341,286
Other Changes	-	(7,982)	7,982
Net Changes	26,035,803	41,936,416	(15,900,613)
Balance at 12/31/2024	$ 560,829,234	$ 554,086,916	$ 6,742,318

Sensitivity of the net pension liability to changes in the discount rate –

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	**Current Discount Rate**	**1% Increase in Discount Rate**
City's net pension liability / (asset)	$ 80,062,145	$ 6,742,318	$ (53,932,332)

Pension Plan Fiduciary Net Position –

Detailed information about the pension plan's Fiduciary net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2025, the City recognized pension expense of $11,234,480. This amount is included as part of Personnel Services expenses within the functional program activities.

At September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after measurement date	$ 8,305,687	$ -
Net difference in projected and actual earnings on pension assets	-	5,088,382
Changes in actuarial assumptions used to determine pension liability	-	1,549,675
Difference in expected and actual pension experience	4,438,259	-
Total	$ 12,743,946	$ 6,638,057

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $8,305,687 will be recognized as a decrease of the net pension liability for the measurement year ending December 31, 2025 (i.e. recognized in the city's financial statements September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended December 31	
2025	1,880,490
2026	7,551,970
2027	(7,925,213)
2028	(3,707,045)
Total	$ (2,199,798)

B. Deferred Compensation Plan

The City offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. If employees contribute at least 4.65% of their gross pay per pay period the City will match 2.35%. The 457 Plan contribution maximums for 2025 are: $23,500; $31,000 for age 50 catch-up, and $47,000 for the regular catch-up provision. Employees may enroll in the plan and /or change their contribution amounts at any time. The total amount contributed by the City for Fiscal Year 2025 was $1,370,731. The City also offers a Roth 457 option as an additional retirement benefit.

(8) INTERFUND ACTIVITY:

Interfund transfers during the year ended September 30, 2025, were as follows:

	Transfers In/Internal Contribution						
	General Fund	Streets and Drainage	General and Public Facilities	Parks and Recreation	Sanitation Fund	Non-Major Governmental	Total
Transfers Out							
General Fund	$ -	$ 3,798,000	$ 23,925,687	$ 2,945,000	$ 510,800	$ 1,400,000	$ 32,579,487
Internal Service	1,115,649	-	-	-	-	-	1,115,649
Water and Sewer	5,308,392	-	-	-	-	-	5,308,392
Golf Course	-	-	-	352,077	-	-	352,077
Sanitation	969,170	925,000	-	-	-	-	1,894,170
Total	$ 7,393,212	$ 4,723,000	$ 23,925,687	$ 3,297,077	$ 510,800	$ 1,400,000	$ 41,249,775

Transfers are primarily used to move funds from:

- Sanitation Fund to the General Fund and Streets and Drainage capital project fund for alleys.
- The Proprietary Funds to the General Fund for a budgeted allocation amount.
- The General Fund to various funds for capital projects in accordance with budgetary authorizations.

(9) WATER PURCHASE AND WASTEWATER TREATMENT CONTRACTS:

The City has a contract with Dallas Water Utilities (DWU) to purchase substantially all of the City's potable water. Under the contract, the City pays DWU a rate based on a fixed demand charge, plus water usage. The rates charged are subject to minimum annual contract payments. Water expense for the year ended September 30, 2025 was $19,243,294.

The City has a contract with Trinity River Authority (TRA) whereby the TRA has agreed to provide a wastewater treatment and disposal system for the benefit of the City and any "additional member City" as defined. Each member city pays an "annual payment", as defined, as its pro rata share of operating expenses and debt service of TRA's Central Regional Wastewater System (CRWS). The City's annual expense for the year ended September 30, 2025 was $16,918,273. To provide the above mentioned services, TRA CRWS issues revenue bonds repayable solely from revenues generated from the member city contracts with TRA CRWS. As such, the City is an obligated party on all outstanding TRA CRWS debt.

(10) SELF-INSURANCE

The City administers a self-insured retention program (SIR) within the Risk management Internal Service Fund in order to deal with potential liabilities. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas:

Policy	Retention	Limits on Liability
General Liability	$25,000 per occurrence	$2,000,000 per occurrence and $4,000,000 policy aggregate
Law Enforcement Liability	$50,000 per occurrence	$3,000,000 per occurrence and $6,000,000 policy aggregate
Errors and Omissions	$50,000 per occurrence	$2,000,000 per occurrence and $4,000,000 policy aggregate
Workers' Compensation	$100,000 per occurrence	Statutory
Property Loss	$25,000 per occurrence	$ 322,039,407
Automobile Liability	$50,000 per occurrence	$1,000,000 per occurrence
Automobile Physical Damage	$1,000 per occurrence	Actual cash value or agreed value as scheduled
Cyber Insurance - 7 Towers	$10,000 to $50,000 per occurrence depending on type	$50,000 to $3,000,000 per tower, multiple aggregate sublimits

All funds of the City participate in the program and make payments to the Risk Management Fund. As of the end of fiscal year 2025, the loss reserve was estimated at $994,023.

Changes in this reserve amount in fiscal years 2024 and 2025 were as follows:

	Balance at Beginning of Fiscal Year	Current-year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2023-2024	$ 1,228,468	$ 1,595,655	$ 1,246,115	$ 1,578,008
2024-2025	$ 1,578,008	$ 1,956,637	$ 2,540,622	$ 994,023

The City maintains the Employee Health and Disability Fund to account for the City's employee health care coverage and long-term disability programs which are self-insured by the City with long-term disability claims in excess of one year covered through third-party insurance policies. In addition, excess insurance has been obtained for an individual employee's health care claims exceeding $225,000.

Revenues are recognized from payroll deductions and City contributions. At September 30, 2025, a liability of $944,180 has been recorded, which represents estimated claims incurred by not yet reported.

Changes in this claim liability during fiscal years 2024 and 2025 were as follows:

	Balance at Beginning of Fiscal Year	Current-year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2023-2024	$ 792,791	$ 8,719,182	$ 8,722,288	$ 789,685
2024-2025	$ 789,685	$ 11,638,263	$ 11,483,768	$ 944,180

There have been no significant increases in insurance coverage during the fiscal year 2025.

(11) TAX ABATEMENTS:

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program rebates property and hotel occupancy taxes and is authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into various agreements that rebate a percentage of property and/or hotel occupancy taxes. Agreements for rebate of property taxes call for rebates of 50% to 100% of taxes on incremental values for up to 12 years. The agreement for hotel occupancy taxes provides for a step down in rebates starting at 100% for 15 years, 75% for the next three years, and 50% for the remaining two years. For fiscal year 2025, the City rebated $831,068 in property taxes, representing 0.68% of the $121,438,112 total levy. This amount includes $208,685 from the TIRZ Capital Fund. The City also rebated $491,683 in hotel occupancy taxes, representing 91.98% of the $534,573 total occupancy tax revenues. Additionally, the City rebated $622,959 for the LIV Golf Team Championship Dallas event through State of Texas passthrough funding.

(12) COMMITMENTS AND CONTINGENT LIABILITIES:

Encumbrances – As discussed in note 1 E, Budgetary Control, for budgetary purposes, includes the impact of encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were $641,676.

Grants – The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation – Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position, results of operations, or cash flows.

Construction Commitments – The City has active construction projects as of September 30, 2025. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	$	117,442,638
Traffic		1,107,502
Parks and Recreation		34,488,533
General Facilities		58,693,067
Community Development		12,052,222
Water and Sewer		27,837,424
Golf Course		739,328
Total	**$**	**252,360,714**

These commitments will be funded through unspent bond proceeds, unrestricted cash, and intergovernmental participation.

(13) OTHER POSTEMPLOYMENT BENEFITS:

a) Retiree Health Care Plan:

Program Description:

In addition to the pension benefits described in Note 7, as required by state law and defined by City Policy, the City makes available health care benefits, as established by management, to all employees who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System, and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. For financial reporting purposes, the "Retiree Health Program" is accounted for in the Employee Health and Disability Fund. No other financial statements are issued related to the Retiree Health Program. No assets are accumulated in a trust that meet the criteria in paragraph 4 of statement 75.

The Retiree Health Program provides lifetime insurance (or until age 65 if eligible for Medicare) to eligible retirees, their spouses, and dependents through the City's group health insurance plan, which covers both active and retired members. The program allows for retirees who meet certain characteristics to remain on the city's health plan at a blended contribution rate. Employees are eligible to retire if they meet one of the following criteria:

- Had over 20 years of service as of January 1, 2009 or were 60 years of with five or more years of service, or
- Are 60 years of age with at least 10 years of consecutive service.

Membership in the Retiree Health Program is as follows:

Membership	
Number of	
- Retirees and Beneficiaries	35
- Inactive, Nonretired Members	0
- Active Members	792
- Total	827

The Retiree Defined Contribution Program has been implemented since January 1, 2008 for active employees with less than 20 years of service or at 60 years or more of age with less than five years of service. This plan requires participants to pay an aged-based full-cost premium if they choose to remain on the City's healthcare plan upon retirement. In return, the City has begun making scheduled contributions into a Retiree Health Savings plan in the name of each employee who has ten years of service or more. Employees are 50% vested at 15 years of service with the City and 100% vested at 20 years of service. Under the provisions of GASB Codification Section Po 50, employees who will be required to contribute the full aged-based cost for coverage for the City's health Plan do not receive Other Post employment Benefits. See Section b) at the end of this note for a full descrption of the Retiree Health Savings Plan.

Funding Policy:

Current retirees contribute to the Retiree Health Program the total blended premium for active and retired participants. The City contribution to the Retiree Health Program consists of Pay-as-you-go claims in excess of the retiree contributions for the year. Retiree contribution rates for fiscal year 2025 were $8,969 to $48,624 per year depending on coverage levels selected. In fiscal year 2025, total member contributions were $216,971. Retiree contributions to the retiree health fund exceeded retiree expenses for fiscal year 2025.

Funded Status and Funding Progress:

As of December 31, 2024, the most recent measurement date based on acturial valuation date of December 31, 2023, the total OPEB liability (TOL) for benefits was $5,217,486, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for calendar year 2024 was $69,890,561. The ratio of the total OPEB Liability to the covered payroll was 7.47%.

Actuarial valuation of the program involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. OPEB liabilities are liquidated with funds from the General Fund and Water Sewer.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point.

For the December 31, 2024 measurement, the Individual Entry Age cost method was used. The actuarial assumptions include a 4.08% discount rate (3.77% as of December 31, 2023), based on the Fidelity 20-year Municipal GO AA Index, an annual healthcare cost trend rate of 7.20% initially, reduced by decrements to an ultimate rate of 4.25% after 15 years, and salary increases from 3.60% to 11.85%, including inflation. The rate of inflation is assumed to be 2.5%. For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2021 to account for future mortality improvements. Demographic assumptions are based on the experience study as conducted for TMRS in 2023.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's total OPEB liability.

Service Cost	$	158,240
Interest on Total OPEB Liability		195,496
Changes of Assumptions		(174,462)
Benefit Payments		(173,446)
Difference between expected and actual experience of the total OPEB liability		18,480
Net Change in Total OPEB Liability		24,308
Total OPEB Liability - beginning		5,193,178
Total OPEB Liability - ending	$	5,217,486

Sensitivity of the total OPEB liability to changes in the discount rate –

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's Total OPEB Liability	$ 5,813,201	$ 5,217,486	$ 4,706,167

Sensitivity of the total OPEB liability to changes in the healthcare trend rate –

The following presents the sensitivity of the total OPEB liability of the City to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is 1-percent lower or 1-percent higher:

	1% Decrease in Trend Rate	Current Health Care Trend Rate	1% Increase in Trend Rate
City's Total OPEB Liability	$ 4,627,212	$ 5,217,486	$ 5,916,991

For the year ended September 30, 2025, the City recognized a OPEB expense of $517,031.

Difference between expected and actual experience and changes in actuarial assumptions used to determine total OPEB liability are amortized as follows:

Year Ending September 30	Net Deferred Outflows / (Inflows)
2026	$ 163,295
2027	163,295
2028	163,295
2029	163,295
2030	163,295
Thereafter	367,112
Total	$ 1,183,587

At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB which are detailed in the following table. Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of $74,318 will be recognized as a decrease of the total OPEB liability for the measurement year ending December 31, 2025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,527,207	$ -
Changes in actuarial assumptions used to determine total OPEB liability	163,184	509,271
Contributions subsequent to the measurement date	74,318	-
Total	$ 1,764,709	$ 509,271

b) Retiree Health Savings Plan (RHS)

Non-grandfathered employees will be required to participate in the City's Retiree Health Savings (hereafter referred to as RHS) plan as described below.

Eligible employees will receive contributions to their RHS accounts on the second pay period in January of each year with the first year starting after the completion of ten full years of continuous service with the City of Carrollton. Years of service will be determined as of January 1 of each year. Contributions will vary based on years of service.

Employees will be 50% vested at 15 years and 100% vested at 20 years. Vesting includes all RHS account balances including investment earnings. RHS accounts will be administered through ICMA-RC and investment options will be similar or identical to those offered by ICMA-RC in their 457 plan with the City. The benefits and terms are established and amended by the City.

Employees are eligible for disbursement from their vested RHS account balances upon termination of city employment according to the vesting schedule above and IRS regulations. Upon termination, RHS balances may be disbursed for any eligible health-related expenses as defined by IRS Regulations. Upon separating from service, prior to benefit eligibility, a participant's non-vested funds shall remain in the plan and be reallocated among fully vested plan participants.

Benefit provisions are contained in the plan document and were established and can be amended by action of the City's governing body. Contributions actually made by the City aggregated $609,538 during 2025.

c) Retiree Medicare Part A

Retirees ineligible for Medicare Part A are eligible for City reimbursments of Part A premiums if they meet a set of qualification standards. There are twenty-four (24) potential retirees, and only one (1) has documented eligibility for reimbursement.

(14) POLLUTION REMEDIATION

During Fiscal Year 2025, there were no environmental incidents that required pollution remediation.

(15) LEASES

Lessee -

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

The City measures the lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported on the government-wide Statement of Net Position and lease liabilities are reported with noncurrent liabilities on the Statement of Net Position.

Lessor –

The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

The City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The City uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

1. Lease receivable

At the start of current fiscal year, the City was leasing live-work spaces, land and building space. These leases all had varying terms between two and three years. The City recognized $161,124 in lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2025, the City's receivable for lease payments was $740,679. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2025, the balance of the deferred inflow of resources was $663,291.

2. Lease payable

As of September 30, 2025, the City had 3 active leases. The leases have payments that range from $75,425 to $550,000 and interest rates that range from 0.5600% to 3.0000%. As of September 30, 2025, the total combined value of the lease liability is $2,793,770, the total combined value of the short-term lease liability is $636,948. The combined value of the right to use asset, as of September 30, 2025 of $5,217,891 with accumulated amortization of $2,420,089. Variable payments based upon the use of the underlying assets are not included in the lease liability because they are not fixed in substance.

The future principal and interest lease payments as of September 30, 2025, were as follows:

Maturity Analysis	Principal	Interest	Total
10/01/2025 - 09/30/2026	$ 636,948	$ 15,907	$ 652,855
10/01/2026 - 09/30/2027	556,258	11,635	567,893
10/01/2027 - 09/30/2028	541,471	8,529	550,000
10/01/2028 - 09/30/2029	515,560	5,489	521,049
10/01/2029 - 09/30/2030	488,001	2,432	490,433
10/01/2030 - 09/30/2035	55,532	223	55,755
Total	$ 2,793,770	$ 44,215	$ 2,837,985

(16) SUBSCRIPTION LIABILITIES

As of September 30, 2025, the City had 16 active subscriptions. The subscriptions have payments that range from $22,000 to $512,520 and interest rates that range from 0.4400% to 3.0000%. As of September 30, 2025, the total combined value of the subscription liability is $1,703,640, and the total combined value of the short-term subscription liability is $886,880. The combined value of the right to use asset, as of September 30, 2025 of $5,254,523 with accumulated amortization of $3,288,043. Variable payments based upon the use of the underlying assets are not included in the subscription liability because they are not fixed in substance. The future principal and interest subscription payments as of September 30, 2025, were as follows:

Maturity Analysis			
Governmental Activities	**Principal**	**Interest**	**Total**
10/01/2025 - 09/30/2026	396,744	17,744	414,488
10/01/2026 - 09/30/2027	317,355	7,476	324,831
10/01/2027 - 9/30/2028	16,373	581	16,954
Total	$ 730,472	$ 25,801	$ 756,273
Business-Type Activities	**Principal**	**Interest**	**Total**
10/01/2025 - 09/30/2026	490,136	22,384	512,520
10/01/2026 - 09/30/2027	483,032	7,476	490,508
10/01/2027 - 9/30/2028	-	-	-
Total	$ 973,168	$ 29,860	$ 1,003,028
Subscription Liability	$ 1,703,640		

(17) NEW FINANCIAL REPORTING REQUIREMENTS:

GASB Statement No. 101, *Compensated Absences,* supersedes Statement 16, *Accounting for Compensated Absences,* issued in 1992. This standard updates the recognition and measurement guidance for compensated absences by aligning the guidance under a unified model. This will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to any type of leave. The City has implemented this Statement in fiscal year 2025, which had no impact on beginning of year net position.

GASB Statement No. 102, *Certain Risk Disclosures,* supersedes the Statement by the National Council of Governmental Accounting (NCGA) Interpretation 6, *Notes to the Financial Statements Disclosure,* paragraph 5. This Standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. For concentrations and constraints meeting the definitions in the Standard, governments will disclose the concentrations or constraints, related events that could have a substantial impact, and action taken to mitigate the risk. The City has implemented this Statement in fiscal year 2025, which had no impact beginning of year net position.

(18) FUTURE FINANCIAL REPORTING REQUIREMENTS:

The City is in the process of reviewing possible impacts of GASB pronouncements which will become effective in future years, and notes the following statements are applicable to the City.

Statement No. 103, *Financial Reporting Model Improvements*. This statement will become effective for fiscal years beginning after June, 15, 2025 and will take effect for the City's fiscal year 2026. This statement will improve key components of the financial reporting model.

Statement No. 104, *Disclosure of Certain Assets*. This statement will become effective for fiscal years beginning after June 15, 2025 and will take effect for the City's fiscal year 2026. This statement will require detailed information about certain types of assets including lease, right-to-use and subscription assets, and assets held for sale.

Statement No. 105, *Subsequent Events*. This statement will become effective for fiscal years beginning after June 15, 2026 and will take effect for the City's fiscal year 2027. This statement will amend how subsequent events that occur after the date of the financial statements are presented.

Management has not yet determined the impact of the above GASB statements on its financial statements.

CITY OF CARROLLTON, TEXAS
Required Supplementary Information
Texas Municipal Retirement System
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years
(Unaudited)

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total pension liability:					
Service cost	$ 7,652,932	$ 8,018,638	$ 8,406,143	$ 8,686,029	$ 9,041,317
Interest	24,739,518	25,320,101	26,477,155	27,654,253	28,782,762
Difference between expected and actual experience	(964,785)	(726,584)	192,522	(491,951)	(472,361)
Change in assumptions	4,666,507	-	-	-	(98,593)
Benefit payments, including refunds of employee contributions	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)	(19,431,525)
Net change in total pension liability	21,879,272	17,654,851	18,704,388	16,665,210	17,821,600
Total pension liability - beginning	356,702,669	378,581,941	396,236,792	414,941,180	431,606,390
Total pension liability - ending (a)	378,581,941	396,236,792	414,941,180	431,606,390	449,427,990
Plan fiduciary net position:					
Contributions - employer	7,332,309	7,258,922	7,063,344	7,332,214	7,472,522
Contributions - employee	3,679,294	3,642,470	3,820,974	3,966,963	4,132,806
Net investment income	515,477	23,404,549	50,642,626	(12,286,647)	60,244,834
Benefit payments, including refunds of employee contributions	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)	(19,431,525)
Administrative expense	(313,987)	(264,342)	(262,459)	(237,525)	340,567
Other	(15,507)	(14,242)	(13,301)	(12,410)	(10,230)
Net change in plan fiduciary net position	(3,017,314)	19,070,053	44,879,752	(20,420,526)	52,067,840
Plan fiduciary net position - beginning	349,353,714	346,336,400	365,406,453	410,286,205	389,865,679
Plan fiduciary net position - ending (b)	346,336,400	365,406,453	410,286,205	389,865,679	441,933,519
Net pension liability (asset) - ending (a) - (b)	$ 32,245,541	$ 30,830,339	$ 4,654,975	$ 41,740,711	$ 7,494,471
Plan fiduciary net position as a percentage of total pension liability	91.48%	92.22%	98.88%	90.33%	98.33%
Covered payroll	$ 52,561,347	$ 52,035,292	$ 54,585,343	$ 56,586,510	$ 58,997,932
Net pension liability (asset) as a percentage of covered payroll	61.35%	59.25%	8.53%	73.76%	12.71%

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CITY OF CARROLLTON, TEXAS
Required Supplementary Information
Texas Municipal Retirement System
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last Ten Fiscal Years
(Unaudited)

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability:					
Service cost	$ 9,731,090	$ 9,951,153	$ 10,260,287	$ 10,927,547	$ 12,578,320
Interest	29,983,251	31,121,665	32,762,856	34,315,070	35,634,908
Difference between expected and actual experience	(1,948,426)	6,107,408	4,059,028	2,965,163	4,138,627
Change in assumptions	-	-	-	(4,009,479)	-
Benefit payments, including refunds of employee contributions	(20,194,442)	(21,826,659)	(24,215,069)	(24,625,002)	(26,316,052)
Net change in total pension liability	17,571,473	25,353,567	22,867,102	19,573,299	26,035,803
Total pension liability - beginning	449,427,990	466,999,463	492,353,030	515,220,132	534,793,431
Total pension liability - ending (a)	466,999,463	492,353,030	515,220,132	534,793,431	560,829,234
Plan fiduciary net position:					
Contributions - employer	7,990,471	8,176,468	7,876,648	8,416,193	9,966,192
Contributions - employee	4,414,623	4,517,385	4,660,713	4,980,002	5,530,148
Net investment income	33,524,687	60,899,041	(37,841,597)	54,253,809	53,105,396
Benefit payments, including refunds of employee contributions	(20,194,442)	(21,826,659)	(24,215,069)	(24,625,002)	(26,316,052)
Administrative expense	(217,064)	(281,958)	327,971	(345,675)	(341,286)
Other	(8,470)	1,931	391,152	(2,415)	(7,982)
Net change in plan fiduciary net position	25,509,805	51,486,208	(49,455,944)	42,676,912	41,936,416
Plan fiduciary net position - beginning	441,933,518	441,993,518	518,929,531	469,473,589	512,150,500
Plan fiduciary net position - ending (b)	467,443,323	518,929,531	469,473,588	512,150,501	554,086,916
Net pension liability (asset) - ending (a) - (b)	$ (443,860)	$ (26,576,501)	$ 45,746,544	$ 22,642,930	$ 6,742,318
Plan fiduciary net position as a percentage of total pension liability	100.10%	105.40%	91.12%	95.77%	98.80%
Covered payroll	$ 63,066,038	$ 64,534,068	$ 66,582,002	$ 71,142,884	$ 78,614,501
Net pension liability (asset) as a percentage of covered payroll	-0.70%	-41.18%	68.71%	31.83%	8.58%

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CITY OF CARROLLTON, TEXAS
Required Supplementary Information
Texas Municipal Retirement System
Schedule of Contributions
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered employee payroll (2)/(4)
2016	6,108,431	7,256,852	1,148,421	52,020,466	11.74%	13.95%
2017	6,527,064	7,072,321	545,257	53,555,327	12.19%	13.95%
2018	6,563,597	7,233,075	669,478	55,897,022	11.74%	13.21%
2019	5,979,973	6,310,121	330,148	58,214,153	10.27%	12.94%
2020	7,397,973	7,763,315	365,342	61,273,205	12.07%	10.84%
2021	8,045,686	8,554,378	508,692	67,516,799	11.92%	12.67%
2022	7,239,953	7,867,711	627,758	65,407,272	11.07%	12.03%
2023	7,532,281	8,227,783	695,502	69,550,150	10.83%	11.83%
2024	8,829,954	9,601,862	771,908	77,226,733	11.83%	12.43%
2025	9,952,862	10,781,624	828,762	82,876,168	12.13%	13.01%

Notes to Schedule:
Valuation Date:
Actuarially determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rate for 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%.The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% Public Safety table used for males and the 100% General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021(with immediate convergence).

Other information: There were no benefit changes during the year.

CITY OF CARROLLTON, TEXAS
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
(Unaudited)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability								
Service cost	$ 23,938	$ 26,985	$ 18,757	$ 17,884	$ 8,582	$ 183,109	$ 131,460	$ 158,240
Interest	681,288	622,194	651,460	455,920	364,544	59,440	115,259	195,496
Changes of benefit terms	-	-	-	-	2,426,763	-	-	-
Difference between expected and actual experience	-	(170,261)	(1,713,950)	211,176	(17,727,901)	10,582	1,933,362	18,480
Changes of assumptions	1,118,690	(864,664)	1,066,615	1,603,380	41,265	(531,290)	212,981	(174,462)
Benefit payments	(1,052,441)	(766,795)	(929,130)	(1,077,134)	(193,655)	(200,975)	39,908	(173,446)
Net change in total OPEB liability	771,475	(1,152,541)	(906,248)	1,211,226	(15,080,402)	(479,134)	2,432,970	24,308
Total OPEB liability - beginning	**18,395,832**	**19,167,307**	**18,014,766**	**17,108,518**	**18,319,744**	**3,239,342**	**2,760,208**	**5,193,178**
Total OPEB liability - ending (a)	19,167,307	18,014,766	17,108,518	18,319,744	3,239,342	2,760,208	5,193,178	5,217,486
Covered employee payroll	$ 2,658,886	$ 2,617,211	$ 2,009,270	$ 2,268,981	$ 64,155,364	$ 66,497,002	71,059,046	69,890,561
Total OPEB liability as a percentage of covered employee payroll	720.88%	688.32%	851.48%	807.40%	5.05%	4.15%	7.31%	7.47%
Discount Rate Per Period*	3.31%	3.71%	2.75%	2.00%	1.84%	4.05%	3.77%	4.08%

Note to Schedule
Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period as notated in the above chart.

Until a full 10-year trend is completed, we will present information for those years for which information is available.

The City has no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund – to account for the accumulation of resources from the Hotel/Motel Tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City with the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act (Articles 1269; Vernon's Texas Civil Statutes).

Public Safety Fund – to account for special fines, forfeitures and grant funds for Public Safety programs.

Public Improvement District Fund - to account for PID assessment fees collected to cover the costs associated with improvements within the district(s).

Cultural and Recreational Fund – to account for miscellaneous funds designated for special cultural and recreational programs of the City.

Capital Project Funds

Traffic Fund – to account for funds received and expended for new installations and replacement of traffic signalization equipment, and installation of underground conduit and wiring for streetlights.

Tax Increment Reinvestment Zone – to account for funds received and expended within the City's Tax Increment Reinvestment Zone located adjacent to the light rail stations.

Community Development Fund – to account for funds received and expended on community beautification and revitalization programs. This fund includes grant funds from the Community Development Block Grant program and the Neighborhood Partnership tax levy.

CITY OF CARROLLTON, TEXAS

Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2025

	Special Revenue				Capital Projects			
	Hotel/Motel Tax	Public Safety	Public Improvement District	Cultural and Recreational	Traffic	Tax Increment Reinvestment Zone	Community Development	Total Other Governmental Funds
Assets								
Cash and cash equivalents	$ 334,751	$ 3,572,161	$ -	$ 1,289,580	$ 2,660,576	$ 7,458,530	$ 36,385,059	$ 51,700,657
Accrued interest	-	12,617	-	1,539	13,501	36,736	205,206	269,599
Due from other governments	-	-	-	-	40,000	-	5,821	45,821
Prepaid items	136,618	-	-	-	-	-	-	136,618
Total assets	$ 471,369	$ 3,584,778	$ -	$ 1,291,119	$ 2,714,077	$ 7,495,266	$ 36,596,086	$ 52,152,695
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	$ 111,634	$ 1,058,257	$ -	$ 530	$ 585,469	$ -	$ 392,489	$ 2,148,379
Unearned revenue	167,893	-	-	-	165,856	-	-	333,749
Total liabilities	279,527	1,058,257	-	530	751,325	-	392,489	2,482,128
Deferred inflows of resources								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable:								
Prepaid items	136,618	-	-	-	-	-	-	136,618
Restricted for:								
Capital projects	-	-	-	-	-	7,495,266	-	7,495,266
Other purposes	55,224	2,526,521	-	-	-	-	-	2,581,745
Committed to:								
Capital projects	-	-	-	-	1,962,752	-	36,203,597	38,166,349
Assigned to:								
Other purposes	-	-	-	1,290,589	-	-	-	1,290,589
Total fund balances	191,842	2,526,521	-	1,290,589	1,962,752	7,495,266	36,203,597	49,670,567
Total liabilities, deferred inflows of resources and fund balances	$ 471,369	$ 3,584,778	$ -	$ 1,291,119	$ 2,714,077	$ 7,495,266	$ 36,596,086	$ 52,152,695

CITY OF CARROLLTON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue				Capital Projects			
	Hotel/Motel Tax	Public Safety	Public Improvement District	Cultural and Recreational	Traffic	Tax Increment Reinvestment Zone	Community Development	Total Other Governmental Funds
Revenues								
Ad valorem tax	$ -	$ -	$ -	$ -	$ -	$ 1,607,333	$ 6,226,380	$ 7,833,713
Occupancy tax	534,573	-	-	-	-	-	-	534,573
Assessments	-	-	-	-	29,568	-	-	29,568
Charges for services	-	-	-	5,014	-	-	-	5,014
Intergovernmental	-	21,925	-	-	80,000	612,791	1,177,943	1,892,659
Licenses and permits	19,769	-	-	58,500	-	-	-	78,269
Fines and forfeitures	-	621,924	-	-	-	-	-	621,924
Investment earnings net of change in fair value of investments	1,393	79,576	-	1,448	70,150	268,347	1,240,557	1,661,471
PID assessment revenue	-	-	1,192,967	-	-	-	-	1,192,967
Miscellaneous	-	3,851	-	79,904	-	-	-	83,755
Total Revenues	$ 555,735	$ 727,276	$ 1,192,967	$ 144,866	$ 179,718	$ 2,488,471	$ 8,644,880	$ 13,933,913
Expenditures								
Current:								
General government and administration	1,090,405	-	-	-	-	-	-	1,090,405
Public safety	-	431,530	-	-	-	-	-	431,530
Cultural and recreational	-	-	-	63,428	-	-	-	63,428
PID development reimbursement	-	-	1,192,967	-	-	-	-	1,192,967
Capital outlay	-	-	-	-	780,340	3,737,078	3,977,007	8,494,425
Total Expenditures	1,090,405	431,530	1,192,967	63,428	780,340	3,737,078	3,977,007	11,272,755
Excess (deficiency) of revenues over (under) expenditures	(534,670)	295,746	-	81,438	(600,622)	(1,248,607)	4,667,873	2,661,158
Other financing sources:								
Transfers in	300,000	-	-	-	1,100,000	-	-	1,400,000
	300,000	-	-	-	1,100,000	-	-	1,400,000
Net change in fund balances	(234,670)	295,746	-	81,438	499,378	(1,248,607)	4,667,873	4,061,158
Fund balances at beginning of year	426,512	2,230,775	-	1,209,151	1,463,374	8,743,873	31,535,724	45,609,409
Fund balances at end of year	$ 191,842	$ 2,526,521	$ -	$ 1,290,589	$ 1,962,752	$ 7,495,266	$ 36,203,597	$ 49,670,567

CARROLLTON

TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

Special Revenue and Debt Service Funds

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Hotel/Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025				2024
	Budgeted Amounts				
	Original	Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues					
Occupancy	$ 585,000	$ 538,885	$ 534,573	$ (4,312)	$ 577,425
Charges for services	-	-	-	-	50,734
Licenses and permits	-	-	19,769	19,769	-
Investment earnings net of change in fair value of investments	-	-	1,393	1,393	58,597
Miscellaneous	75,000	101,751	-	(101,751)	59,901
Total Revenues	660,000	640,636	555,735	(84,901)	746,657
Expenditures					
Current:					
General government and administration	1,030,000	1,044,294	1,090,405	(46,111)	878,393
Excess (deficiency) of revenues over (under) expenditures	(370,000)	(403,658)	(534,670)	(131,012)	(131,736)
Other financing sources:					
Transfers in	135,000	300,000	300,000	-	270,000
Net change in fund balances	(235,000)	(103,658)	(234,670)	(131,012)	138,264
Fund balances at beginning of year	426,512	426,512	426,512	-	288,248
Fund balances at end of year	**$ 191,512**	**$ 322,854**	**$ 191,842**	**$ (131,012)**	**$ 426,512**

CITY OF CARROLLTON, TEXAS

Public Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025				2024
	Budgeted Amounts				
	Original	Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues					
Intergovernmental	$ 14,000	$ 32,265	$ 21,925	$ (10,340)	$ 11,184
Fines and forfeitures	297,362	272,698	621,924	349,226	288,468
Investment earnings net of change in fair value of investments	83,604	74,703	79,576	4,873	100,668
Miscellaneous	-	-	3,851	3,851	-
Total Revenues	394,966	379,666	727,276	347,610	400,320
Expenditures					
Current:					
Public safety	1,117,376	491,918	431,530	60,388	388,590
Net change in fund balances	(722,410)	(112,252)	295,746	407,998	11,730
Fund balances at beginning of year	2,230,775	2,230,775	2,230,775	-	2,219,045
Fund balances at end of year	**$ 1,508,365**	**$ 2,118,523**	**$ 2,526,521**	**$ 407,998**	**$ 2,230,775**

CITY OF CARROLLTON, TEXAS

Public Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025				2024
	Budgeted Amounts				
	Original	Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues					
PID assessment revenue	$ 1,196,533	$ 1,193,272	$ 1,192,967	$ (305)	$ 1,194,688
Total Revenues	1,196,533	1,193,272	1,192,967	(305)	1,194,688
Expenditures					
Current:					
PID Development Reimbursement	1,196,533	1,193,272	1,192,967	305	1,194,688
Total Expenditures	1,196,533	1,193,272	1,192,967	305	1,194,688
Net change in fund balances	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-
Fund balances at end of year	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF CARROLLTON, TEXAS

Cultural and Recreational Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025				2024
	Budgeted Amounts				
	Original	Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues					
Charges for services	$ 4,000	$ 5,522	$ 5,014	$ (508)	$ 7,119
Licenses and permits	40,000	15,780	58,500	42,720	25,525
Investment earnings net of change in fair value of investments	8,593	4,231	1,448	(2,783)	120,320
Miscellaneous	69,500	45,591	79,904	34,313	116,116
Total Revenues	122,093	71,124	144,866	73,742	269,080
Expenditures					
Cultural and recreational	245,217	93,713	63,428	30,285	70,012
Net change in fund balances	(123,124)	(22,589)	81,438	104,027	199,068
Fund balances at beginning of year	1,209,151	1,209,151	1,209,151	-	1,010,083
Fund balances at end of year	**$ 1,086,027**	**$ 1,186,562**	**$ 1,290,589**	**$ 104,027**	**$ 1,209,151**

CITY OF CARROLLTON, TEXAS

Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues							
Taxes:							
Ad valorem	$ 32,985,224	$ 32,433,344	$ 32,065,549	$ -	$ 32,065,549	$ (367,795)	$ 30,840,495
Penalty and interest	50,000	65,805	100,754	-	100,754	34,949	96,615
Investment earnings net of change in fair value of investments	-	90,155	92,799	-	92,799	2,644	75,505
Total Revenues	33,035,224	32,589,304	32,259,102	-	32,259,102	(330,202)	31,012,615
Expenditures							
General government and administration	-	-	-	-	-	-	86,156
Debt service:							
Principal retirement	24,040,000	24,206,681	24,115,000	-	24,115,000	91,681	22,210,000
Interest and fiscal charges	8,874,224	9,223,293	9,222,993	-	9,222,993	300	8,821,974
Total Expenditures	32,914,224	33,429,974	33,337,993	-	33,337,993	91,981	31,118,130
Excess (deficiency) of revenues over (under) expenditures	121,000	(840,670)	(1,078,891)	-	(1,078,891)	(238,221)	(105,515)
Other financing sources:							
Bonds issued, including Premium	-	-	429,999	-	429,999	429,999	291,873
Other	-	-	-	-	-	-	(500)
Total other financing sources	-	-	429,999	-	429,999	429,999	291,283
Net change in fund balances	$ 121,000	$ (840,670)	(648,892)	$ -	$ (648,892)	$ 191,778	185,858
Fund balances at beginning of year	5,423,039	5,423,039	5,423,039	-	5,423,039	-	5,237,181
Fund balances at end of year	$ 5,544,039	$ 4,582,369	$ 4,774,147	$ -	$ 4,774,147	$ 191,778	$ 5,423,039

CARROLLTON

TEXAS

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

General Fund

These supplementary statements and schedules are included to provide management additional information for financial analysis.

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

General Fund
Comparative Balance Sheets
September 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 43,503,302	$ 50,433,940
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	-	234,032
Sales taxes	8,902,759	8,314,584
Franchise fees	3,069,922	2,963,907
Accrued interest	469,411	347,483
Other	2,022,778	2,118,234
Due from other governments	698,641	33,284
Prepaid items	1,654,056	864,828
Total Assets	$ 60,320,869	$ 65,310,292
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,916,352	$ 6,860,348
Unearned revenue	24,576	23,526
Total liabilities	7,940,928	6,883,874
Deferred inflows of resources		
Deferred inflows related to leases	-	893
Unavailable revenue	1,547,900	1,533,506
Total deferred inflows of resources	1,547,900	1,534,399
Fund Balances		
Nonspendable for:		
Prepaid items	1,654,056	864,828
Unassigned	49,177,985	56,027,191
Total Fund Balances	50,832,041	56,892,019
Total Liabilities and Fund Balances	$ 60,320,869	$ 65,310,292

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Revenues							
Taxes:							
Ad valorem	$ 75,248,757	$ 74,908,049	$ 73,758,024	$ -	$ 73,758,024	$ (1,150,025)	$ 70,345,339
Penalty and interest	300,000	300,000	232,115	-	232,115	(67,885)	473,329
Sales	45,973,518	50,787,821	52,632,624	-	52,632,624	1,844,803	49,712,276
911 fees	1,082,742	1,082,742	1,213,470	-	1,213,470	130,728	1,874,111
Franchise fees	11,658,024	11,693,115	11,825,120	-	11,825,120	132,005	12,009,311
Charges for services	5,805,378	6,780,199	6,535,294	-	6,535,294	(244,905)	5,990,336
Intergovernmental	-	-	1,390,353	-	1,390,353	1,390,353	225,234
Licenses and permits	2,615,969	2,982,600	3,407,809	-	3,407,809	425,209	2,250,450
Fines and forfeitures	2,810,396	3,409,464	3,391,933	-	3,391,933	(17,531)	2,980,882
Investment earnings net of change in fair value of investments	3,272,040	5,024,232	4,818,216	(37,376)	4,780,840	(243,392)	5,854,614
Miscellaneous	1,206,809	1,402,153	570,952	-	570,952	(831,201)	413,403
Total Revenues	149,973,633	158,370,375	159,775,910	(37,376)	159,738,534	1,368,159	152,129,285
Expenditures							
Current:							
General government and administration	33,511,424	32,581,679	23,320,858	170,059	23,490,917	9,090,762	24,061,506
Public safety	82,515,000	84,297,827	84,652,318	395,944	85,048,262	(750,435)	78,120,944
Development services	17,573,006	15,332,039	14,380,229	47,594	14,427,823	904,216	13,153,759
Cultural and recreational	16,866,714	17,509,645	16,972,864	28,079	17,000,943	508,702	15,746,515
Principal retirement	-	-	1,332,564	-	1,332,564	(1,332,564)	2,129,904
Interest and fiscal charges	-	-	35,060	-	35,060	(35,060)	80,184
Total Expenditures	150,466,144	149,721,190	140,693,893	641,676	141,335,569	8,385,621	133,292,812
Excess (deficiency) of revenues over expenditures	(492,511)	8,649,185	19,082,017	(679,052)	18,402,965	9,753,780	18,836,473
Other financing sources (uses):							
Leases issued	-	-	-	-	-	-	39,284
SBITA issued	-	-	44,280	-	44,280	44,280	148,879
Transfers in	2,934,577	3,018,126	7,393,212	-	7,393,212	4,375,086	6,928,523
Transfers out	(31,928,687)	(32,688,036)	(32,579,487)	-	(32,579,487)	108,549	(33,730,150)
Total other financing sources (uses)	(28,994,110)	(29,669,910)	(25,141,995)	-	(25,141,995)	4,527,915	(26,613,464)
Net change in fund balances	(29,486,621)	(21,020,725)	(6,059,978)	(679,052)	(6,739,030)	14,281,695	(7,776,991)
Fund balances at beginning of year	56,892,019	56,892,019	56,892,019	-	56,892,019	-	64,669,010
Fund balances at end of year	**$ 27,405,398**	**$ 35,871,294**	**$ 50,832,041**	**$ (679,052)**	**$ 50,152,989**	**$ 14,281,695**	**$ 56,892,019**

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Taxes:							
Ad valorem	$ 75,248,757	$ 74,908,049	$ 73,758,024	$ -	$ 73,758,024	$ (1,150,025)	$ 70,345,339
Penalty and interest	300,000	300,000	232,115	-	232,115	(67,885)	473,329
911 Taxes	1,082,742	1,082,742	1,213,470	-	1,213,470	130,728	1,874,111
Sales:							
City sales	45,673,250	50,474,882	52,316,699	-	52,316,699	1,841,817	49,377,651
Mixed drink	300,268	312,939	315,925	-	315,925	2,986	334,625
Total sales	45,973,518	50,787,821	52,632,624	-	52,632,624	1,844,803	49,712,276
Franchise fees:							
Electric	6,422,469	6,335,402	6,074,103	-	6,074,103	(261,299)	6,263,371
Telecommunications	1,010,298	977,789	802,651	-	802,651	(175,138)	967,141
Gas	2,045,690	2,206,969	2,289,703	-	2,289,703	82,734	2,322,168
Cable	977,807	845,122	694,819	-	694,819	(150,303)	800,337
Solid waste	1,201,760	1,327,833	1,963,844	-	1,963,844	636,011	1,656,294
Total franchise	11,658,024	11,693,115	11,825,120	-	11,825,120	132,005	12,009,311
Charges for services:							
Public safety service fees	3,471,798	3,852,471	3,604,744	-	3,604,744	(247,727)	3,485,353
Culture and recreation fees	2,016,676	2,423,037	2,541,431	-	2,541,431	118,394	2,138,647
Other service fees	316,904	504,691	389,119	-	389,119	(115,572)	366,336
Total charges for services	5,805,378	6,780,199	6,535,294	-	6,535,294	(244,905)	5,990,336
Intergovernmental	-	-	1,390,353	-	1,390,353	1,390,353	225,234
Licenses and permits:							
Building permits	1,300,000	1,489,697	1,826,440	-	1,826,440	336,743	1,169,428
Licenses	275,568	357,403	24,697	-	24,697	(332,706)	37,660
Environmental health charges	868,715	887,425	1,224,402	-	1,224,402	336,977	937,006
Other licenses and permits	171,686	248,075	332,270	-	332,270	84,195	106,356
Total licenses and permits	2,615,969	2,982,600	3,407,809	-	3,407,809	425,209	2,250,450
Fines and forfeitures:							
Municipal court	2,798,658	3,395,848	3,358,967	-	3,358,967	(36,881)	2,944,696
Other fines	11,738	13,616	32,966	-	32,966	19,350	36,186
Total fines and forfeitures	2,810,396	3,409,464	3,391,933	-	3,391,933	(17,531)	2,980,882
Investment earnings							
Net of change in fair value of investments	3,272,040	5,024,232	4,818,216	(37,376)	4,780,840	(243,392)	5,854,614
Miscellaneous	1,206,809	1,402,153	570,952	-	570,952	(831,201)	413,403
Total Revenues	**149,973,633**	**158,370,375**	**159,775,910**	**(37,376)**	**159,738,534**	**1,368,159**	**152,129,285**

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
General government and administration:							
City council:							
Personnel services	$ 21,300	$ 21,300	$ (58,389)	$ -	$ (58,389)	$ 79,689	$ (29,952)
Supplies and services	222,396	222,396	199,807	-	199,807	22,589	444,705
Utilities	6,003	5,447	5,736	-	5,736	(289)	13,099
Allocations	12,800	12,800	12,851	-	12,851	(51)	10,938
	262,499	261,943	160,005	-	160,005	101,938	438,790
City management:							
Personnel services	1,453,579	1,560,969	1,436,343	-	1,436,343	124,626	1,520,462
Supplies and services	254,886	254,886	127,262	-	127,262	127,624	125,749
Utilities	3,920	3,557	3,745	-	3,745	(188)	3,668
Allocations	25,512	25,512	25,512	-	25,512	-	22,062
	1,737,897	1,844,924	1,592,862	-	1,592,862	252,062	1,671,941
Marketing Services:							
Personnel services	982,673	944,300	968,456	-	968,456	(24,156)	899,698
Supplies and services	228,251	228,251	172,262	1,492	173,754	54,497	171,155
Utilities	1,669	1,514	1,594	-	1,594	(80)	1,560
Allocations	16,416	16,416	16,480	-	16,480	(64)	15,880
Capital outlay	-	-	-	-	-	-	13,494
	1,229,009	1,190,481	1,158,792	1,492	1,160,284	30,197	1,101,787
Accounting:							
Personnel services	780,336	630,154	687,416	-	687,416	(57,262)	757,055
Supplies and services	260,454	285,454	342,297	3,439	345,736	(60,282)	201,895
Utilities	1,882	1,707	1,797	-	1,797	(90)	1,760
Allocations	15,126	15,126	15,187	-	15,187	(61)	13,902
Capital outlay	-	-	6,812	-	6,812	(6,812)	-
	1,057,798	932,441	1,053,509	3,439	1,056,948	(124,507)	974,612
Finance administration:							
Personnel services	745,800	736,965	717,899	-	717,899	19,066	712,310
Supplies and services	1,188,836	1,163,836	804,127	1,190	805,317	358,519	1,436,485
Utilities	1,395	1,266	1,333	-	1,333	(67)	1,306
Allocations	31,390	31,390	31,516	-	31,516	(126)	27,609
	1,967,421	1,933,457	1,554,875	1,190	1,556,065	377,392	2,177,710
Budget and management analysis:							
Personnel services	377,099	464,674	442,521	-	442,521	22,153	382,061
Supplies and services	65,455	65,455	19,360	-	19,360	46,095	56,905
Utilities	1,537	1,395	1,468	-	1,468	(73)	1,437
Allocations	6,059	31,390	6,083	-	6,083	25,307	6,114
	450,150	562,914	469,432	-	469,432	93,482	446,517
Purchasing:							
Personnel services	370,228	381,256	376,796	-	376,796	4,460	362,801
Supplies and services	67,197	67,197	50,934	-	50,934	16,263	65,149
Utilities	2,182	1,979	2,083	-	2,083	(104)	2,040
Allocations	5,305	5,305	5,327	-	5,327	(22)	4,870
	444,912	455,737	435,140	-	435,140	20,597	434,860
General Services:							
Personnel services	73,685	69,508	59,196	-	59,196	10,312	51,947
Supplies and services	51,532	49,569	39,292	-	39,292	10,277	41,448
Utilities	2,569	2,332	2,455	-	2,455	(123)	2,404
Allocations	4,757	4,757	4,764	-	4,764	(7)	4,575
	132,543	126,166	105,707	-	105,707	20,459	100,374

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
General government and administration (continued):							
Information technology:							
Personnel services	$ 4,615,435	$ 4,622,761	$ 4,574,140	$ -	$ 4,574,140	$ 48,621	$ 4,359,850
Supplies and services	3,979,843	3,974,468	3,175,559	113,228	3,288,787	685,681	3,347,583
Utilities	21,756	19,062	22,068	-	22,068	(3,006)	21,471
Allocations	172,041	172,041	153,273	-	153,273	18,768	149,368
Capital outlay	665,582	665,581	452,067	4,841	456,908	208,673	770,661
	9,454,657	9,453,913	8,377,107	118,069	8,495,176	958,737	8,648,933
Workforce services:							
Personnel services	831,994	870,376	842,068	-	842,068	28,308	745,953
Supplies and services	762,641	762,641	404,726	1,330	406,056	356,585	635,823
Utilities	3,567	3,235	3,408	-	3,408	(173)	3,337
Allocations	22,954	22,954	23,045	-	23,045	(91)	19,510
	1,621,156	1,659,206	1,273,247	1,330	1,274,577	384,629	1,404,623
City attorney:							
Personnel serivces	1,317,129	1,078,300	1,047,906	-	1,047,906	30,394	930,525
Supplies and services	545,785	322,992	158,132	-	158,132	164,860	190,235
Utilities	2,217	2,010	2,117	-	2,117	(107)	2,073
Allocations	20,511	20,511	20,593	-	20,593	(82)	20,802
Capital outlay	28,500	28,500	-	-	-	28,500	-
	1,914,142	1,452,313	1,228,748	-	1,228,748	223,565	1,143,635
Facilities services:							
Personnel services	878,611	732,409	755,722	-	755,722	(23,313)	600,297
Supplies and services	962,398	957,952	999,079	7,884	1,006,963	(49,011)	1,067,056
Utilities	116,626	78,669	67,512	-	67,512	11,157	75,106
Allocations	58,070	83,128	104,253	-	104,253	(21,125)	59,349
Capital outlay	66,000	66,864	66,864	-	66,864	-	-
	2,081,705	1,919,022	1,993,430	7,884	2,001,314	(82,292)	1,801,808
Resolution center:							
Personnel services	2,149,556	2,082,952	1,235,572	-	1,235,572	847,380	1,058,097
Supplies and services	1,690,497	1,713,018	136,652	10,612	147,264	1,565,754	474,624
Utilities	15,439	13,999	8,249	-	8,249	5,750	7,592
Allocations	140,266	140,266	17,202	-	17,202	123,064	16,803
Capital outlay	10,295	3,528	2,727	-	2,727	801	1,762
	4,006,053	3,953,763	1,400,402	10,612	1,411,014	2,542,749	1,558,878
Managed Competition / OD:							
Personnel services	728,125	752,466	611,438	-	611,438	141,028	606,082
Supplies and services	225,562	265,562	217,487	-	217,487	48,075	194,695
Utilities	2,099	2,897	1,896	-	1,896	1,001	4,495
Allocations	12,539	12,539	12,589	-	12,589	(50)	11,700
	968,325	1,033,464	843,410	-	843,410	190,054	816,972
Non-departmental:							
Personnel services	3,499,359	3,169,617	773,569	-	773,569	2,396,048	720,931
Supplies and services	947,399	947,399	893,020	-	893,020	54,379	582,096
Allocations	1,671,399	1,619,919	-	-	-	1,619,919	-
Capital outlay	65,000	65,000	7,603	26,043	33,646	31,354	37,039
	6,183,157	5,801,935	1,674,192	26,043	1,700,235	4,101,700	1,340,066
Total general government and administration	33,511,424	32,581,679	23,280,858	170,059	23,490,917	9,090,762	24,061,506

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Public safety:							
Police management services:							
Personnel services	$ 16,448,082	$ 16,316,576	$ 15,887,855	$ -	$ 15,887,855	$ 428,721	$ 15,334,518
Supplies and services	2,325,326	2,343,390	1,407,595	-	1,407,595	935,795	1,565,335
Utilities	80,477	72,099	78,852	-	78,852	(6,753)	74,709
Allocations	315,474	315,474	316,735	-	316,735	(1,261)	322,630
Capital outlay	2,055	13,076	1,044,328	2,270	1,046,598	(1,033,522)	812,745
	19,171,414	19,060,615	18,735,365	2,270	18,737,635	322,980	18,109,937
Police operations:							
Personnel services	13,031,817	13,564,958	13,568,786	-	13,568,786	(3,828)	11,616,625
Supplies and services	1,501,742	1,534,324	1,250,605	2,233	1,252,838	281,486	1,386,155
Utilities	26,248	21,431	26,364	-	26,364	(4,933)	25,740
Allocations	1,100,056	1,100,056	1,313,966	-	1,313,966	(213,910)	911,771
Capital outlay	380,879	672,924	347,743	198,207	545,950	126,974	345,495
	16,040,742	16,893,693	16,507,464	200,440	16,707,904	185,789	14,285,786
Fire operations:							
Personnel services	24,911,320	25,237,609	26,919,246	-	26,919,246	(1,681,637)	25,431,573
Supplies and services	3,020,143	2,747,893	2,795,300	60,152	2,855,452	(107,559)	3,018,856
Utilities	130,975	123,391	130,910	-	130,910	(7,519)	130,257
Allocations	1,680,612	1,680,612	2,278,119	-	2,278,119	(597,507)	1,773,880
Capital outlay	1,257,485	1,423,645	1,249,702	58,161	1,307,863	115,782	1,378,829
	31,000,535	31,213,150	33,373,277	118,313	33,491,590	(2,278,440)	31,733,395
Fire support services:							
Personnel services	3,044,708	4,203,439	3,300,484	-	3,300,484	902,955	1,176,393
Supplies and services	253,936	188,820	206,298	-	206,298	(17,478)	166,332
Utilities	6,981	5,644	6,817	-	6,817	(1,173)	6,816
Allocations	74,850	118,850	75,030	-	75,030	43,820	78,089
Capital outlay	-	-	4,190	-	4,190	(4,190)	-
	3,380,475	4,516,753	3,592,819	-	3,592,819	923,934	1,427,630
Emergency management:							
Capital outlay	260	260	-	-	-	260	-
Personnel services	787,858	789,573	771,348	-	771,348	18,225	681,560
Supplies and services	-	-	127,420	9,533	136,953	(136,953)	157,382
	788,118	789,833	898,768	9,533	908,301	(118,468)	838,942
Emergency dispatch:							
Supplies and services	5,411,018	5,411,018	5,411,018	-	5,411,018	-	6,009,217
Allocations	88,003	88,003	88,354	-	88,354	(351)	87,361
	5,499,021	5,499,021	5,499,372	-	5,499,372	(351)	6,096,578
Municipal court:							
Personnel services	1,419,000	1,378,328	1,416,000	-	1,416,000	(37,672)	1,359,818
Supplies and services	646,897	657,076	413,570	1,875	415,445	241,631	409,644
Utilities	37,027	34,280	38,237	-	38,237	(3,957)	39,238
Allocations	55,514	55,514	79,515	-	79,515	(24,001)	61,745
	2,158,438	2,125,198	1,947,322	1,875	1,949,197	176,001	1,870,445

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Public safety (continued):							
Environmental services:							
Personnel services	$ 2,564,477	$ 2,290,474	$ 2,259,462	$ -	$ 2,259,462	$ 31,012	$ 2,138,446
Supplies and services	555,542	574,700	567,779	-	567,779	6,921	494,597
Utilities	9,215	8,363	8,806	-	8,806	(443)	8,624
Allocations	107,781	116,543	111,389	-	111,389	5,154	104,237
Capital outlay	34,541	69,978	35,437	-	35,437	34,541	-
	3,271,556	3,060,058	2,982,873	-	2,982,873	77,185	2,745,904
Animal control:							
Personnel services	866,274	784,127	817,649	-	817,649	(33,522)	758,960
Supplies and services	169,628	170,209	165,565	-	165,565	4,644	170,703
Utilities	61,461	70,590	65,317	-	65,317	5,273	53,690
Allocations	36,338	43,580	66,527	-	66,527	(22,947)	28,974
Animal_Capital outlay	71,000	71,000	-	63,513	63,513	7,487	-
	1,204,701	1,139,506	1,115,058	63,513	1,178,571	(39,065)	1,012,327
Total public safety	82,515,000	84,297,827	84,652,318	395,944	85,048,262	(750,435)	78,120,944
Development services:							
Transportation engineering:							
Personnel services	582,702	644,196	651,287	-	651,287	(7,091)	633,925
Supplies and services	53,905	53,905	23,908	105	24,013	29,892	22,535
Utilities	2,419	2,220	46,511	-	46,511	(44,291)	2,263
Allocations	17,496	17,496	17,566	-	17,566	(70)	22,342
Capital outlay	70,786	70,786	-	-	-	70,786	30,678
	727,308	788,603	739,272	105	739,377	49,226	711,743
Civil engineering:							
Personnel services	1,499,704	808,220	1,376,677	-	1,376,677	(568,457)	1,289,445
Supplies and services	154,287	123,890	91,090	20	91,110	32,780	123,712
Utilities	11,118	67,093	56,901	-	56,901	10,192	10,603
Allocatins	54,308	67,424	54,455	-	54,455	12,969	57,532
Capital outlay	155,395	223,235	165,310	46,020	211,330	11,905	104,602
	1,874,812	1,289,862	1,744,433	46,040	1,790,473	(500,611)	1,585,894
Contract administration:							
Supplies and services	198,597	202,475	186,833	-	186,833	15,642	178,865
Personnel services	574,552	544,197	535,164	-	535,164	9,033	470,825
	773,149	746,672	721,997	-	721,997	24,675	649,690
Traffic operations:							
Personnel services	1,218,063	1,105,028	1,130,731	-	1,130,731	(25,703)	1,124,120
Supplies and services	515,214	554,390	403,571	959	404,530	149,860	498,799
Utilities	1,138,215	1,370,816	1,053,108	-	1,053,108	317,708	1,074,924
Allocations	340,804	340,804	344,867	-	344,867	(4,063)	353,880
Capital outlay	1,000	1,000	47,948	-	47,948	(46,948)	55,465
	3,213,296	3,372,038	2,980,225	959	2,981,184	390,854	3,107,188
Streets:							
Personnel services	1,714,103	1,429,848	1,465,075	-	1,465,075	(35,227)	1,385,022
Supplies and services	1,170,008	1,030,740	952,366	-	952,366	78,374	1,029,077
Allocations	515,692	515,692	539,651	-	539,651	(23,959)	512,713
Capital outlay	-	-	222,615	-	222,615	(222,615)	18,735
	3,399,803	2,976,280	3,179,707	-	3,179,707	(203,427)	2,945,547
Drainage:							
Personnel services	543,168	494,319	483,805	-	483,805	10,514	490,193
Supplies and services	164,276	250,734	278,569	-	278,569	(27,835)	163,943
Allocations	391,815	391,815	426,065	-	426,065	(34,250)	409,858
Capital outlay	-	-	-	-	-	-	145,051
	1,099,259	1,136,868	1,188,439	-	1,188,439	(51,571)	1,209,045

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Development services (continued):							
Public works administration:							
Personnel services	$ -	$ -	$ 98,986	$ -	$ 98,986	$ (98,986)	$ 14,648
Supplies and services	-	-	(63,812)	-	(63,812)	63,812	(57,082)
Utilities	-	-	8,421	-	8,421	(8,421)	(6,363)
Allocations	-	-	(460,075)	-	(460,075)	460,075	(457,649)
	-	-	(416,480)	-	(416,480)	416,480	(506,446)
Planning:							
Personnel services	493,283	372,066	379,648	-	379,648	(7,582)	457,733
Supplies and services	76,334	76,334	50,235	-	50,235	26,099	60,037
Utilities	6,342	1,844	4,026	-	4,026	(2,182)	3,466
Allocations	13,959	13,959	14,015	-	14,015	(56)	13,707
Capital outlay	5,083	5,083	3,789	-	3,789	1,294	-
	595,001	469,286	451,713	-	451,713	17,573	534,943
Building inspection:							
Personnel services	2,492,426	2,516,636	2,497,389	-	2,497,389	19,247	2,280,375
Supplies and services	173,670	161,493	120,187	490	120,677	40,816	112,070
Utilities	6,303	8,554	7,495	-	7,495	1,059	5,990
Allocations	69,732	69,732	75,209	-	75,209	(5,477)	75,448
Capital outlay	463	463	-	-	-	463	31,120
	2,742,594	2,756,878	2,700,280	490	2,700,770	56,108	2,505,003
Transit oriented development:							
	-	-	-	-	-	-	-
Economic development:							
Personnel services	448,840	196,801	249,016	-	249,016	(52,215)	321,656
Supplies and services	2,682,589	1,582,589	825,810	-	825,810	756,779	73,684
Utilities	2,084	1,891	1,991	-	1,991	(100)	1,949
Allocations	13,771	13,771	13,826	-	13,826	(55)	13,863
Capital outlay	500	500	-	-	-	500	-
	3,147,784	1,795,552	1,090,643	-	1,090,643	704,909	411,152
Total development services	17,573,006	15,332,039	14,380,229	47,594	14,427,823	904,216	13,153,759
Cultural and recreational:							
Library:							
Personnel services	2,846,640	2,973,729	2,849,971	-	2,849,971	123,758	2,673,995
Supplies and services	548,676	548,676	416,261	-	416,261	132,415	442,488
Utilities	100,572	81,254	96,585	-	96,585	(15,331)	94,902
Allocations	71,427	71,427	71,712	-	71,712	(285)	72,168
Capital outlay	255,189	255,189	291,371	17,673	309,044	(53,855)	314,059
	3,822,504	3,930,275	3,725,900	17,673	3,743,573	186,702	3,597,612
Park operations:							
Personnel services	4,862,910	4,797,023	4,929,719	-	4,929,719	(132,696)	4,626,312
Supplies and services	2,374,110	2,668,314	2,541,543	6,454	2,547,997	120,317	2,495,628
Utilities	837,730	1,011,254	981,856	-	981,856	29,398	853,609
Allocations	813,643	792,038	743,727	-	743,727	48,311	702,883
Capital outlay	18,394	18,394	8,432	-	8,432	9,962	3,220
	8,906,787	9,287,023	9,205,277	6,454	9,211,731	75,292	8,681,652

CITY OF CARROLLTON, TEXAS

General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended September 30, 2025
With Comparative Actual Totals for 2024

	2025						2024
	Budgeted Amounts						
	Original	Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
Cultural and recreational (continued):							
Tennis center:							
Supplies and services	$ 19,590	$ 19,590	$ 2,580	$ -	$ 2,580	$ 17,010	$ 11,390
Utilities	29,773	27,799	24,618	-	24,618	3,181	23,537
Allocations	5,639	5,639	5,661	-	5,661	(22)	5,523
	55,002	53,028	32,859	-	32,859	20,169	40,450
Leisure services:							
Personnel services	681,948	691,548	769,527	-	769,527	(77,979)	575,543
Supplies and services	118,539	118,539	130,860	3,952	134,812	(16,273)	74,130
Utilities	1,514	6,278	2,828	-	2,828	3,450	1,526
Allocations	18,569	18,569	18,643	-	18,643	(74)	15,605
Capital outlay	90,741	155,741	33,264	-	33,264	122,477	-
	911,311	990,675	955,122	3,952	959,074	31,601	666,804
Rosemeade recreation center:							
Personnel services	86,527	86,449	85,653	-	85,653	796	78,641
Supplies and services	373,810	365,397	300,301	-	300,301	65,096	231,016
Utilities	50,007	106,113	116,841	-	116,841	(10,728)	89,720
Allocations	51,380	51,380	50,989	-	50,989	391	51,789
	561,724	609,339	553,784	-	553,784	55,555	451,166
Crosby recreation center:							
Personnel services	1,500	1,500	-	-	-	1,500	-
Supplies and services	133,459	121,958	82,040	-	82,040	39,918	112,255
Utilities	36,654	36,290	37,823	-	37,823	(1,533)	34,210
Allocations	8,795	8,795	8,723	-	8,723	72	9,607
	180,408	168,543	128,586	-	128,586	39,957	156,072
Perry museum:							
Personnel services	90,198	90,262	89,440	-	89,440	822	83,688
Supplies and services	43,105	43,105	20,776	-	20,776	22,329	19,576
Utilities	8,843	9,004	9,272	-	9,272	(268)	9,014
Allocations	6,856	6,856	6,884	-	6,884	(28)	7,235
	149,002	149,227	126,372	-	126,372	22,855	119,513
Senior center:							
Personnel services	92,895	103,822	100,213	-	100,213	3,609	94,401
Supplies and services	92,780	113,703	93,472	-	93,472	20,231	76,141
Utilities	42,732	45,154	57,157	-	57,157	(12,003)	44,451
Allocations	16,550	16,550	25,477	-	25,477	(8,927)	13,996
	244,957	279,229	276,319	-	276,319	2,910	228,989
Athletics:							
Personnel services	1,521,769	1,529,070	1,567,938	-	1,567,938	(38,868)	1,411,808
Supplies and services	474,956	474,942	362,260	-	362,260	112,682	353,514
Allocations	38,294	38,294	38,447	-	38,447	(153)	38,935
	2,035,019	2,042,306	1,968,645	-	1,968,645	73,661	1,804,257
Total cultural and recreational	16,866,714	17,509,645	16,972,864	28,079	17,000,943	508,702	15,746,515
Debt service:							
Principal retirement	-	-	1,332,564	-	1,332,564	(1,332,564)	2,129,904
Interest and fiscal charges	-	-	35,060	-	35,060	(35,060)	80,184
Total debt service	-	-	1,367,624	-	1,367,624	(1,367,624)	2,210,088
Total expenditures	$ 150,466,144	$ 149,721,190	$ 140,693,893	$ 641,676	$ 141,335,569	$ 8,385,621	$ 133,292,812

CARROLLTON

TEXAS

COMBINING FINANCIAL STATEMENTS

Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one City department for another.

Fleet Services Fund – to account for the cost of operating and maintaining automotive and other equipment used by City departments and the purchase of general government vehicles (those not used by enterprise fund activities). Service charges are billed to departments on a monthly basis to cover all expenses of the fund.

Risk Management Fund – to account for the operation of a self-insurance fund covering all City property, vehicles, liability and workers' compensation expenses. The City operates under a self-insured retention and commercial insurance coverage purchases, with workers' compensation claims administered by an outside agency.

Employee Health and Disability Fund – to account for the provision of group accident, health and long-term disability insurance coverage for all City employees and those retirees choosing to stay on the plan.

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Internal Service Funds
Combining Statement of Net Position
September 30, 2025

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 7,908,328	$ 4,276,984	$ 7,425,242	$ 19,610,554
Receivables:				
Accrued interest	60,112	32,481	69,000	161,593
Other	-	-	118,578	118,578
Inventories	55,954	-	-	55,954
Prepaid items	-	113,000	7,367	120,367
Total current assets	8,024,394	4,422,465	7,620,187	20,067,046
Noncurrent assets:				
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	34,247,120	-	-	34,247,120
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(18,365,942)	(70,400)	-	(18,436,342)
Total capital assets, net of accumulated depreciation	16,091,901	-	-	16,091,901
Total assets	24,116,295	4,422,465	7,620,187	36,158,947
Liabilities				
Current liabilities:				
Accounts payable	327,263	18,545	1,897,239	2,243,047
Estimated health claims payable	-	-	944,180	944,180
Total current liabilities	327,263	18,545	2,841,419	3,187,227
Noncurrent liabilities:				
Compensated absences	4,853	94,494	-	99,347
Long-term risk liability	-	994,023	-	994,023
Total noncurrent liabilities	4,853	1,088,517	-	1,093,370
Total liabilities	332,116	1,107,062	2,841,419	4,280,597
Net Position				
Net investment in capital assets	16,091,901	-	-	16,091,901
Unrestricted	7,692,278	3,315,403	4,778,768	15,786,449
Total net position	$ 23,784,179	$ 3,315,403	$ 4,778,768	$ 31,878,350

CITY OF CARROLLTON, TEXAS

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2025

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	$ 8,638,902	$ 3,180,823	$ 12,870,052	$ 24,689,777
Operating expenses:				
Personnel services	225,859	161,475	795,365	1,182,699
Supplies and services	2,871,806	2,698,703	13,457,625	19,028,134
Utilities	35,429	296	-	35,725
Allocations	58,538	-	-	58,538
Depreciation and amortization	3,394,029	-	-	3,394,029
Total operating expenses	6,585,661	2,860,474	14,252,990	23,699,125
Income (loss) from operations	2,053,241	320,349	(1,382,938)	990,652
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	274,957	163,730	472,804	911,491
Gain (loss) on sale/retirement of capital assets	(47,723)	-	-	(47,723)
Total nonoperating revenues	227,234	163,730	472,804	863,768
Income (loss) before transfers	2,280,475	484,079	(910,134)	1,854,420
Transfers out	(540,350)	(575,299)	-	(1,115,649)
Change in net position	1,740,125	(91,220)	(910,134)	738,771
Net position at beginning of year	22,044,054	3,406,623	5,688,902	31,139,579
Net position at end of year	$ 23,784,179	$ 3,315,403	$ 4,778,768	$ 31,878,350

CITY OF CARROLLTON, TEXAS

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2025

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	$ -	$ -	$ 2,383,470	$ 2,383,470
Cash received from other funds for services	8,638,902	3,180,823	10,486,583	22,306,308
Cash received from loss claim recoveries and refunds	-	841,465	5,239,737	6,081,202
Cash payments to suppliers for goods and services	(2,960,744)	(1,573,459)	(2,645,413)	(7,179,616)
Cash payments to employees for services	(207,746)	(140,327)	-	(348,073)
Cash payments for loss claims	-	(2,539,621)	(16,545,241)	(19,084,862)
Cash Payments to other funds for services	(74,347)	(19,569)		(93,916)
Net cash provided by (used in) operating activities	5,396,065	(250,688)	(1,080,864)	4,064,513
Cash flows from noncapital financing activities:				
Transfers to other funds	(540,350)	(575,299)	-	(1,115,649)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(7,675,812)	-	-	(7,675,812)
Proceeds from sale of capital assets	390,400	-	-	390,400
Net cash used by capital and related financing activities	(7,285,412)	-	-	(7,285,412)
Cash flows from investing activities:				
Investment return on cash and cash equivalents	264,906	158,227	457,083	880,216
Net decrease in cash and cash equivalents	(2,164,791)	(667,760)	(623,781)	(3,456,332)
Cash and cash equivalents, October 1	10,073,119	4,944,744	8,049,023	23,066,886
Cash and cash equivalents, September 30	$ 7,908,328	$ 4,276,984	$ 7,425,242	$ 19,610,553
Reconciliation of income (loss) from operations to net cash provided by operating activities:				
Income (loss) from operations	$ 2,053,241	$ 320,349	$ (1,382,938)	$ 990,652
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:				
Depreciation	3,394,029	-	-	3,394,029
Change in assets and liabilities:				
(Increase) decrease in other receivables	-	-	74,741	74,741
(Increase) decrease in inventories	39,725	-	-	39,725
Increase (decrease) in accounts payable	(92,417)	10,367	72,838	(9,212)
Increase (decrease) in estimated health claims payable	-	-	154,495	154,495
Increase (decrease) in liability for compensated absences	1,487	1,581	-	3,068
Increase (decrease) in long-term risk liability	-	(582,984)	-	(582,984)
Net cash provided (used in) by operating activities	$ 5,396,065	$ (250,688)	$ (1,080,864)	$ 4,064,513

CARROLLTON

TEXAS

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS

Proprietary Funds

These supplementary statements and schedules are included to provide management additional information for financial analysis.

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 52,262,701	$ 61,294,960
Receivables:		
Accounts	5,800,150	8,343,830
Accrued interest	405,828	316,058
Restricted assets:		
Cash and cash equivalents	3,144,837	3,759,791
Total current assets	61,613,516	73,714,639
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,004,012	995,097
SBITA Asset	2,541,322	2,541,322
SBITA-accumulated amortization	(1,545,309)	(1,026,797)
Capital assets:		
Land	1,334,929	1,334,929
Buildings	18,073,186	18,073,186
Equipment	8,112,347	7,488,625
Intangibles	828,392	828,392
Infrastructure	302,382,281	287,459,055
Construction in progress	825,299	791,205
Accumulated depreciation	(196,600,403)	(190,419,890)
Total capital assets, net of accumulated depreciation	134,956,031	125,555,502
Total noncurrent assets	136,956,056	128,065,124
Total assets	198,569,572	201,779,763
Deferred outflows of resources		
Pension contributions after measurement date	379,571	370,281
Difference in projected and actual earnings on pension assets	-	517,285
Difference in expected / actual pension experience	169,225	174,607
OPEB contributions after measurement date	3,961	2,073
Changes in OPEB assumptions	9,033	10,295
Difference in expected and actual OPEB experience	74,801	85,438
Total deferred outflows of resources	636,591	1,159,979
Liabilities		
Current liabilities:		
Accounts payable	4,175,834	4,802,504
Customer deposits payable	3,144,837	3,189,932
Due within one year-SBITA	14,468	-
Revenue bonds payable	795,000	815,000
Compensated absences	30,774	23,216
Accrued interest	260,279	230,275
Total current liabilities	8,421,192	9,060,927
Noncurrent liabilities:		
Revenue bonds payable	13,721,688	14,624,593
Net pension liability	75,615	802,273
Total OPEB liability	230,082	228,786
Compensated absences	659,894	679,489
Due in more than a year-SBITA	958,702	1,448,838
Total noncurrent liabilities	15,645,981	17,783,979
Total liabilities	24,067,173	26,844,906
Deferred Inflows of resources		
Difference in expected and actual pension experience	3,595	3,595
Changes in actuarial assumptions used to determine pension liability	82,162	138,369
Difference in projected and actual earnings on pension assets	318,158	-
Deferred Inflow OPEB experience	25,656	20,537
Total deferred inflows of resources	429,571	162,501
Net Position		
Net investment in capital assets	118,649,931	113,711,640
Restricted for:		
Revenue bond retirement	1,004,012	995,097
Unrestricted	55,055,476	61,225,598
Total net position	$ 174,709,419	$ 175,932,335

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 60,645,058	$ 58,549,628
Miscellaneous	786,242	424,633
Total operating revenues	61,431,300	58,974,261
Operating expenses:		
Personnel services	5,516,342	5,066,226
Supplies and services	43,013,299	39,648,850
Utilities	2,545,450	1,399,926
Allocations	1,644,723	1,588,408
Depreciation and amortization	6,906,893	6,688,187
Total operating expenses	59,626,707	54,391,597
Income from operations	1,804,593	4,582,664
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	2,377,146	3,496,295
Gain (loss) on sale/retirement of capital assets	144,436	29,562
Interest expense	(526,329)	(374,983)
Total nonoperating revenues (expenses)	1,995,253	3,150,874
Income before contributions and transfers	3,799,846	7,733,538
Capital contributions	285,630	397,032
Transfers in	-	1,250,000
Transfers out	(5,308,392)	(5,028,917)
Change in net position	(1,222,916)	4,351,653
Net position at beginning of year	175,932,335	171,580,682
Net position at end of year	$ 174,709,419	$ 175,932,335

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers for services	$ 63,143,643	$ 55,852,781
Other operating cash receipts	786,242	433,375
Cash payments to suppliers for goods and services	(46,908,946)	(37,159,060)
Cash payments to employees for services	(5,258,496)	(4,749,446)
Cash payments to other funds for services	(2,170,010)	(1,232,721)
Net cash provided by operating activities	9,592,433	13,144,929
Cash flows from noncapital financing activities:		
Transfers out	(5,308,392)	(5,028,917)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(14,882,469)	(6,256,472)
Transfers in for capital projects	-	1,250,000
Proceeds from sale of capital assets	318,871	52,546
Interest paid on bonds	(604,230)	(302,100)
Retirement of bonds	(815,000)	(515,000)
Interest payments on SBITA liability	(36,852)	(107,137)
Payments on SBITA liability	(475,668)	(421,946)
Proceeds from capital debt		8,163,738
Capital contributions	285,630	6,600
Net cash provided by capital and related financing activities	(16,209,718)	1,870,229
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	2,287,379	3,432,193
Net increase (decrease) in cash and cash equivalents	(9,638,298)	13,418,435
Cash and cash equivalents, October 1	66,049,848	52,631,413
Cash and cash equivalents, September 30	$ 56,411,550	$ 66,049,848
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 1,804,593	$ 4,582,664
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation and amortization	6,906,893	6,688,187
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	2,543,680	(979,403)
(Increase) decrease in other receivables	-	(64,102)
(Increase) decrease in prepaids	-	1,206,866
(Increase) decrease in OPEB related deferred outflows	10,011	(71,130)
(Increase) decrease in pension related deferred outflows	(3,907)	971,479
Increase (decrease) in accounts payable	(1,153,413)	1,644,334
Increase (decrease) in customer deposits payable	(45,095)	49,185
Increase (decrease) in OPEB liability	1,296	120,919
Increase (decrease) in net pension liability (asset)	(726,658)	(1,148,250)
Increase (decrease) in liability for compensated absences	(12,037)	94,470
Increase (decrease) in OPEB related deferred inflows	5,119	419
Increase (decrease) in pension related deferred inflows	261,951	49,291
Net cash provided by operating activities	$ 9,592,433	$ 13,144,929
Noncash investing, capital, and financing activities:		
The water and sewer fund received $58,314noncash capital contributions from developers consisting of water and sewer infrastructure.		
Retainage and capital related accounts payable as of 9/30/2025 equals $2,379,968.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	52,262,701	61,294,960
Restricted assets - cash and cash equivalents	3,144,837	3,759,791
Noncurrent assets:		
Restricted assets - cash and cash equivalents	1,004,012	995,097
Total cash and cash equivalents	$ 56,411,550	$ 66,049,848

CITY OF CARROLLTON, TEXAS

Golf Course Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 2,676,706	$ 3,239,236
Receivables:		
Accrued interest	14,287	10,141
Other	155,457	144,629
Total current assets	2,846,450	3,394,006
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	2,246,196	1,925,571
Equipment	1,776,391	1,441,533
Improvements	17,351,788	16,254,817
Accumulated depreciation	(17,395,902)	(16,796,999)
Total capital assets, net of accumulated depreciation	4,973,473	3,819,922
Total assets	7,819,923	7,213,928
Liabilities		
Current liabilities:		
Accounts payable	152,099	76,667
Total liabilities	152,099	76,667
Net Position		
Net investment in capital assets	4,973,473	3,819,922
Unrestricted	2,694,351	3,317,339
Total net position	$ 7,667,824	$ 7,137,261

CITY OF CARROLLTON, TEXAS

Golf Course Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 1,160,997	$ 864,669
Miscellaneous	392,595	-
Total operating revenues	1,553,592	864,669
Operating expenses:		
Supplies and services	-	363,116
Utilities	179,005	127,939
Allocations	11,704	6,581
Depreciation and amortization	598,903	593,860
Total operating expenses	789,612	1,091,496
Income (loss) from operations	763,980	(226,827)
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	117,875	177,380
Gain (loss) on sale/retirement of capital assets	785	-
Total nonoperating revenues (expenses)	118,660	177,380
Income (loss) before contributions and transfers	882,640	(49,447)
Transfers out	(352,077)	-
Change in net position	530,563	(49,447)
Net position at beginning of year	7,137,261	7,186,708
Net position at end of year	$ 7,667,824	$ 7,137,261

CITY OF CARROLLTON, TEXAS

Golf Course Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers for services	$ 1,439,191	$ 913,848
Cash payments to suppliers for goods and services	-	(442,896)
Cash payments to other funds for services	(11,704)	(6,581)
Net cash provided by operating activities	1,427,487	464,371
Cash flows from noncapital financing activities:		
Transfers to other funds	(352,077)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,752,454)	(85,140)
Proceeds from sale of capital assets	785	-
Net cash used in capital and related financing activities	(1,751,669)	(85,140)
Cash flows from investing activities:		
Investment gain (loss) on cash and cash equivalents	113,729	174,583
Net increase (decrease) in cash and cash equivalents	(562,530)	553,814
Cash and cash equivalents, October 1	3,239,236	2,685,422
Cash and cash equivalents, September 30	$ 2,676,706	$ 3,239,236
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	$ 763,980	$ (226,827)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	598,903	593,860
Change in assets and liabilities:		
(Increase) decrease in other receivables	(10,828)	49,179
Increase (decrease) in accounts payable	75,432	48,159
Net cash provided by operating activities	$ 1,427,487	$ 464,371

CITY OF CARROLLTON, TEXAS

Sanitation Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 28,222	$ 518,397
Receivables:		
Accounts	1,488,170	1,550,364
Accrued interest	10,661	9,400
Total current assets	1,527,053	2,078,161
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	(1,460,303)	(1,460,303)
Total capital assets, net of accumulated depreciation	-	-
Total assets	1,527,053	2,078,161
Liabilities		
Current liabilities:		
Accounts payable	1,063,154	1,680,755
Total liabilities	1,063,154	1,680,755
Net Position		
Unrestricted	463,899	397,406
Total net position	$ 463,899	$ 397,406

CITY OF CARROLLTON, TEXAS

Sanitation Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 13,274,616	$ 12,685,553
Total operating revenues	13,274,616	12,685,553
Operating expenses:		
Supplies and services	11,648,522	10,505,091
Allocations	206,572	220,852
Total operating expenses	11,855,094	10,725,943
Income from operations	1,419,522	1,959,610
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	30,341	53,716
Total nonoperating revenues (expenses)	30,341	53,716
Income before contributions and transfers	1,449,863	2,013,326
Transfers in	510,800	-
Transfers out	(1,894,170)	(1,817,403)
Change in net position	66,493	195,923
Net position at beginning of year	397,406	201,483
Net position at end of year	$ 463,899	$ 397,406

CITY OF CARROLLTON, TEXAS

Sanitation Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers for services	$ 13,333,319	$ 12,490,737
Cash payments to suppliers for goods and services	(12,262,632)	(10,068,192)
Cash payments to other funds for services	(206,572)	(172,544)
Net cash provided by operating activities	864,115	2,250,001
Cash flows from noncapital financing activities:		
Transfers to other funds	510,800	-
Transfers to other funds	(1,894,170)	(1,817,403)
Net cash used in noncapital financing activities	(1,383,370)	(1,817,403)
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	29,080	53,132
Net increase (decrease) in cash and cash equivalents	(490,175)	485,730
Cash and cash equivalents, October 1	518,397	32,667
Cash and cash equivalents, September 30	$ 28,222	$ 518,397
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 1,419,522	$ 1,959,610
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	62,194	(194,813)
Increase (decrease) in accounts payable	(617,601)	485,204
Net cash provided by operating activities	$ 864,115	$ 2,250,001

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 7,908,328	$ 10,073,119
Accrued interest receivable	60,112	50,060
Inventories	55,954	95,679
Total current assets	8,024,394	10,218,858
Noncurrent assets:		
Capital assets:		
Buildings	176,409	176,409
Equipment	34,247,120	30,806,865
Intangibles	34,314	34,314
Accumulated depreciation	(18,365,942)	(18,887,446)
Total capital assets, net of accumulated depreciation	16,091,901	12,130,142
Total assets	24,116,295	22,349,000
Liabilities		
Current liabilities:		
Accounts payable	327,263	301,580
Compensated absences	4,853	3,366
Total liabilities	332,116	304,946
Net Position		
Net investment in capital assets	16,091,901	12,130,142
Unrestricted	7,692,278	9,913,912
Total net position	$ 23,784,179	$ 22,044,054

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 8,638,902	$ 7,702,541
Operating expenses:		
Personnel services	225,859	211,598
Supplies and services	2,871,806	3,125,366
Utilities	35,429	36,229
Allocations	58,538	66,298
Depreciation and amortization	3,394,029	2,702,511
Total operating expenses	6,585,661	6,142,002
Income from operations	2,053,241	1,560,539
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	274,957	631,799
Gain (loss) on sale/retirement of capital assets	(47,723)	299,701
Total nonoperating revenues	227,234	931,500
Income before transfers	2,280,475	2,492,039
Transfers out	(540,350)	(513,100)
Change in net position	1,740,125	1,978,939
Net position at beginning of year	22,044,054	20,065,115
Net position at end of year	$ 23,784,179	$ 22,044,054

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from other funds for services	$ 8,638,902	$ 7,702,541
Cash payments to suppliers for goods and services	(2,960,744)	(3,255,418)
Cash payments to employees for services	(207,746)	(192,608)
Cash payments to other funds for services	(74,347)	-
Net cash provided by operating activities	5,396,065	4,254,515
Cash flows from noncapital financing activities:		
Transfers to other funds	(540,350)	(513,100)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,675,812)	(5,057,510)
Proceeds from sale of capital assets	390,400	322,459
Net cash used by capital and related financing activities	(7,285,412)	(4,735,051)
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	264,906	622,071
Net increase (decrease) in cash and cash equivalents	(2,164,791)	(371,565)
Cash and cash equivalents, October 1	10,073,119	10,444,684
Cash and cash equivalents, September 30	$ 7,908,328	$ 10,073,119
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	$ 2,053,241	$ 1,560,539
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	3,394,029	2,702,511
Change in assets and liabilities:		
(Increase) decrease in other receivables	-	18,121
(Increase) decrease in inventories	39,725	2,808
Increase (decrease) in accounts payable	(92,417)	(31,147)
Increase (decrease) in compensated absences	1,487	1,683
Net cash provided by operating activities	$ 5,396,065	$ 4,254,515

CITY OF CARROLLTON, TEXAS

Risk Management Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 4,276,984	$ 4,944,744
Accrued interest receivable	32,481	26,978
Prepaid items	113,000	113,000
Total current assets	4,422,465	5,084,722
Noncurrent assets:		
Capital assets:		
Intangibles	70,400	70,400
Accumulated depreciation	(70,400)	(70,400)
Total capital assets, net of accumulated depreciation	-	-
Total assets	4,422,465	5,084,722
Liabilities		
Current liabilities:		
Accounts payable	18,545	8,178
Noncurrent liabilities:		
Compensated absences	94,494	92,913
Long-term risk liability	994,023	1,577,007
Total noncurrent liabilities	1,088,517	1,669,920
Total liabilities	1,107,062	1,678,098
Net Position		
Unrestricted	3,315,403	3,406,623
Total net position	$ 3,315,403	$ 3,406,623

CITY OF CARROLLTON, TEXAS

Risk Management Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 3,180,823	$ 3,180,824
Operating expenses:		
Personnel services	161,475	188,627
Supplies and services	2,698,703	2,542,494
Utilities	296	289
Total operating expenses	2,860,474	2,731,410
Income from operations	320,349	449,414
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	163,730	262,272
Total nonoperating revenues	163,730	262,272
Income before transfers	484,079	711,686
Transfers out	(575,299)	(533,591)
Change in net position	(91,220)	178,095
Net position at beginning of year	3,406,623	3,228,529
Net position at end of year	$ 3,315,403	$ 3,406,624

CITY OF CARROLLTON, TEXAS

Risk Management Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from other funds for services	$ 3,180,823	$ 3,180,824
Cash received from loss claim recoveries	841,465	310,118
Cash payments to suppliers for goods and services	(1,573,459)	(1,171,793)
Cash payments to employees for services	(140,327)	(186,035)
Cash payments for loss claims	(2,539,621)	(1,247,116)
Cash payment to other funds for services	(19,569)	-
Net cash provided by (used in) operating activities	(250,688)	885,998
Cash flows from noncapital financing activities:		
Transfers to other funds	(575,299)	(533,591)
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	158,227	259,465
Net increase (decrease) in cash and cash equivalents	(667,760)	611,872
Cash and cash equivalents, October 1	4,944,744	4,332,872
Cash and cash equivalents, September 30	$ 4,276,984	$ 4,944,744
Reconciliation of income from operations to net cash provided by operating activities:		
Net income from operations	$ 320,349	$ 449,414
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in other receivables	-	51,178
Increase (decrease) in accounts payable	10,367	(4,538)
Increase (decrease) in liability for compensated absences	1,581	41,405
Increase (decrease) in long-term risk liability	(582,984)	348,539
Net cash provided by (used in) operating activities	$ (250,688)	$ 885,998

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
Comparative Statements of Net Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 7,425,242	$ 8,049,023
Receivables:		
Accrued interest receivable	69,000	53,279
Other	118,578	193,319
Prepaid items	7,367	7,367
Total assets	7,620,187	8,302,988
Liabilities		
Current liabilities:		
Accounts payable	1,897,239	1,824,401
Estimated health claims payable	944,180	789,685
Total current liabilities	2,841,419	2,614,086
Total liabilities	2,841,419	2,614,086
Net Position		
Unrestricted	4,778,768	5,688,902
Total net position	$ 4,778,768	$ 5,688,902

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
Comparative Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended September 30, 2025 and 2024

	2025	2024
Operating revenues:		
Charges for services	$ 12,870,052	$ 12,249,037
Operating expenses:		
Personnel services	795,365	675,527
Supplies and services	13,457,625	12,223,930
Total operating expenses	14,252,990	12,899,457
Income (loss) from operations	(1,382,938)	(650,420)
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	472,804	558,732
Total nonoperating revenues	472,804	558,732
Change in net position	(910,134)	(91,688)
Net position at beginning of year	5,688,902	5,780,590
Net position at end of year	$ 4,778,768	$ 5,688,902

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
Comparative Statments of Cash Flows
For the years Ended September 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from employees and retirees for services	$ 2,383,470	$ 2,987,587
Cash received from other funds for services	10,486,583	10,009,352
Cash received from loss claim recoveries and refunds	5,239,737	1,566,568
Cash payments to suppliers for goods and services	(2,645,413)	(2,414,521)
Cash payments for loss claims	(16,545,241)	(11,940,141)
Net cash provided by (used in) operating activities	(1,080,864)	208,844
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	457,083	549,237
Net increase (decrease) in cash and cash equivalents	(623,781)	758,081
Cash and cash equivalents, October 1	8,049,023	7,290,942
Cash and cash equivalents, September 30	$ 7,425,242	$ 8,049,023
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:		
Income (loss) from operations	$ (1,382,938)	$ (650,420)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
(Increase) decrease on other receivables	74,741	747,904
Increase (decrease) in acounts payable	72,838	114,466
Increase (decrease) in estimated health claims payable	154,495	(3,106)
Net cash provided by (used in) operating activities	$ (1,080,864)	$ 208,844

CARROLLTON

TEXAS

STATISTICAL SECTION
(Unaudited)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. It includes six categories of information:

Financial Trends (Table 1 – 4) – contains trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (Table 5 – 9) – contains information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity (Table 10 – 14) – presents information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (Table 15 – 16) – offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (Table 17 – 19) – contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Additional Information (Table 20 – 21) – offers additional analysis regarding rapidly growing expenses or areas of financial concern that are of interest to the users of financial statements.

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 236,475,739	$ 253,789,783	$ 266,335,524	$ 265,348,739	$ 288,354,589	$ 285,331,250	$ 308,107,635	$ 315,120,145	$ 366,183,502	$ 410,751,658
Restricted	6,452,006	6,939,678	7,568,306	7,567,836	9,466,620	11,506,974	33,991,386	9,385,478	10,157,137	7,355,890
Unrestricted	115,146,522	115,867,856	116,877,252	142,352,531	157,960,043	203,079,481	227,811,286	295,001,248	297,532,939	316,005,166
Total governmental activities net position	$ 358,074,267	$ 376,597,317	$ 390,781,082	$ 415,269,106	$ 455,781,252	$ 499,917,705	$ 569,910,307	$ 619,506,871	$ 673,873,578	$ 734,112,714
Business-type activities										
Net investment in capital assets	$ 114,890,769	$ 111,162,794	$ 114,574,032	$ 117,224,597	$ 113,405,237	$ 110,676,871	$ 117,112,368	$ 120,033,950	$ 117,531,562	$ 123,623,404
Restricted	1,426,329	1,385,524	1,237,640	1,142,303	1,070,043	986,773	2,020,735	818,323	995,097	1,004,012
Unrestricted	24,004,120	25,184,803	23,311,006	24,937,146	32,485,159	40,606,226	43,122,949	58,457,572	65,488,757	58,752,563
Total business-type activities net position	$ 140,321,218	$ 137,733,121	$ 139,122,678	$ 143,304,046	$ 146,960,439	$ 152,269,870	$ 162,256,052	$ 179,309,845	$ 184,015,416	$ 183,379,979
Primary government										
Net investment in capital assets	$ 351,366,508	$ 364,952,577	$ 380,909,556	$ 382,573,336	$ 401,759,826	$ 396,008,121	$ 425,220,003	$ 435,154,095	$ 483,715,064	$ 534,375,062
Restricted	7,878,335	8,325,202	8,805,946	8,710,139	10,536,663	12,493,747	36,012,121	10,203,801	11,152,234	8,359,902
Unrestricted	139,150,642	141,052,659	140,188,258	167,289,677	190,445,202	243,685,707	270,934,235	353,458,820	363,021,696	374,757,729
Total primary government net position	$ 498,395,485	$ 514,330,438	$ 529,903,760	$ 558,573,152	$ 602,741,691	$ 652,187,575	$ 732,166,359	$ 798,816,716	$ 857,888,994	$ 917,492,693

Source: Annual Comprehensive Financial Reports

Notes:
The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior years have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government and administration	$ 15,894,255	$ 17,122,310	$ 17,189,961	$ 19,121,014	$ 22,837,935	$ 21,796,441	$ 21,530,774	$ 26,457,923	$ 25,003,859	$ 27,328,813
Public safety	59,993,080	64,012,046	63,047,061	69,201,673	66,625,840	64,935,344	57,636,204	71,523,237	83,173,075	91,418,429
Development services	26,750,336	27,011,842	25,002,278	32,233,127	27,137,264	32,895,331	25,030,749	26,062,521	34,075,426	28,361,203
Cultural and recreational	15,487,148	16,754,985	16,390,220	16,790,697	14,859,202	15,110,009	15,600,850	18,747,089	20,166,681	21,684,920
Interest on long term debt	6,125,135	6,293,033	6,325,530	6,037,670	6,265,337	5,924,098	6,054,525	7,031,007	6,556,197	5,745,159
Total governmental activities expenses	124,249,954	131,194,216	127,955,050	143,384,181	137,725,578	140,661,223	125,853,102	149,821,777	168,975,238	174,538,524
Business-type activities:										
Water and sewer	38,169,394	40,370,208	43,285,640	42,145,572	41,908,407	42,277,481	43,753,928	48,239,139	54,484,961	60,179,757
Golf	1,770,254	951,127	451,994	2,172,913	2,205,324	844,841	666,839	616,188	1,090,547	788,976
Sanitation	7,396,452	7,794,237	8,076,094	8,410,160	9,269,390	9,664,433	10,112,106	10,365,281	10,701,069	11,838,585
Total business-type activities expenses	47,336,100	49,115,572	51,813,728	52,728,645	53,383,121	52,786,755	54,532,873	59,220,608	66,276,577	72,807,318
Total primary government expenses	171,586,054	180,309,788	179,768,778	196,112,826	191,108,699	193,447,978	180,385,975	209,042,385	235,251,815	247,345,842
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	276,789	136,535	192,134	171,494	193,747	209,167	223,758	235,170	255,179	316,002
Public safety	10,225,750	9,695,265	9,144,151	8,986,909	10,933,565	8,663,179	9,470,330	8,405,815	9,682,843	10,363,266
Development services	2,642,431	2,177,917	3,201,667	2,485,491	1,815,359	2,273,936	2,216,129	1,655,177	1,371,156	2,339,289
Cultural and recreational	2,767,833	2,718,579	2,699,398	2,093,847	1,225,921	2,236,900	2,635,278	2,727,384	2,470,946	3,282,530
Operating grants and contributions	324,816	143,608	247,088	83,567	9,301,172	8,550,938	13,221,942	2,221,740	1,701,923	3,950,531
Capital grants and contributions	2,317,548	5,945,697	2,677,227	9,199,209	2,335,856	3,055,845	9,027,419	1,673,577	962,676	1,766,313
Total governmental activities program revenues	18,555,167	20,817,601	18,161,665	23,020,517	25,805,620	24,989,965	36,794,856	16,918,863	16,444,723	22,017,931
Business-type activities:										
Charges for services:										
Water and sewer	37,361,058	39,630,140	45,005,225	45,058,318	48,863,523	48,800,443	53,318,611	55,045,831	58,066,545	60,514,064
Golf	976,527	1,131,464	617,176	1,163,979	1,092,696	479,789	843,940	883,646	806,613	1,084,277
Sanitation	9,492,356	9,839,216	10,361,672	10,614,355	10,773,015	11,552,462	12,002,849	12,441,234	12,685,553	13,274,616
Operating grants and contributions	557,072	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,003,684	965,092	3,266,699	923,476	727,166	3,199,625	5,578,424	296,688	397,032	285,630
Total business-type activities program revenues	49,390,697	51,565,912	59,250,772	57,760,128	61,456,400	64,032,319	71,743,824	68,667,399	71,955,743	75,158,587
Total primary government program revenues	$ 67,945,864	$ 72,383,513	$ 77,412,437	$ 80,780,645	$ 87,262,020	$ 89,022,284	$ 108,538,680	$ 85,586,262	$ 88,400,466	$ 97,176,518

(continued)

CITY OF CARROLLTON, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Net (Expense) Revenue										
Governmental Activities	$ (105,694,787)	$ (110,376,615)	$ (109,793,384)	$ (120,363,664)	$ (120,363,664)	$ (115,671,258)	$ (89,058,246)	$ (132,902,914)	$ (152,530,515)	$ (152,520,593)
Business-type Activities	2,054,597	2,450,340	7,437,044	5,031,483	5,031,483	11,245,564	17,210,951	9,446,791	5,679,166	2,351,269
Total Primary government net expense	(103,640,190)	(107,926,275)	(102,356,340)	(115,332,181)	(115,332,181)	(104,425,694)	(71,847,295)	(123,456,123)	(146,851,349)	(150,169,324)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Ad valorem	66,690,804	71,827,346	77,233,249	82,924,296	89,122,477	93,158,498	96,924,730	105,091,592	115,162,154	120,216,758
Sales	34,512,467	36,782,925	39,811,034	39,683,052	40,032,543	46,187,884	48,705,881	50,596,808	49,712,276	52,632,624
Occupancy	243,946	292,908	237,466	189,529	211,851	122,512	173,648	594,040	577,425	534,573
Franchise Fees	11,778,705	12,069,944	12,526,523	12,036,367	12,098,114	11,914,107	12,389,639	12,247,092	12,169,441	11,953,231
Investment earnings net of change in fair value of investments	1,280,470	1,480,990	2,184,503	6,519,218	4,251,840	921,062	(7,768,438)	12,086,664	22,607,484	16,072,128
Gain on sale of capital assets	123,312	113,009	4,248	267,029	328,051	-	325,519	428,391	315,131	-
Public-private partnership recovery	-	-	-	-	-	-	-	-	-	-
Miscellaneous	977,691	874,112	950,672	932,282	891,770	926,010	1,500,632	7,042,950	756,991	4,306,575
Transfers	4,407,582	5,458,431	6,539,304	2,299,915	5,495,458	6,577,638	6,799,237	(5,588,059)	5,596,320	7,043,840
Total Governmental Activities	120,014,977	128,899,665	139,486,999	144,851,688	152,432,104	159,807,711	159,050,848	182,499,478	206,897,222	212,759,729
Business-type Activities:										
Investment earnings net of change in fair value of investments	186,142	201,448	262,790	925,005	707,328	103,944	(1,134,235)	1,424,011	3,727,391	2,525,362
Gain on sale of capital assets	37,256	21,514	4,232	261,495	18,143	99,209	39,110	85,210	328,996	174,436
Miscellaneous	204,467	197,032	224,795	263,300	353,101	438,352	669,593	509,722	666,338	1,357,336
Transfers	(4,407,582)	(5,458,431)	(6,539,304)	(2,299,915)	(5,495,458)	(6,577,638)	(6,799,237)	5,588,059	(5,596,320)	(7,043,840)
Total Business-type Activities	(3,979,717)	(5,038,437)	(6,047,487)	(850,115)	(4,416,886)	(5,936,133)	(7,224,769)	7,607,002	(873,595)	(2,986,706)
Total Primary Government	116,035,260	123,861,228	133,439,512	144,001,573	148,015,218	153,871,578	151,826,079	190,106,480	206,023,627	209,773,023
Change in Net Position										
Governmental Activities	14,320,190	18,523,050	29,693,615	24,488,024	40,512,146	44,136,453	69,992,602	49,596,563	54,366,707	60,239,136
Business-type Activities	(1,925,120)	(2,588,097)	1,389,557	4,181,368	3,656,393	5,309,431	9,986,182	17,053,793	4,705,571	(635,437)
Total Primary Government	$ 12,395,070	$ 15,934,953	$ 31,083,172	$ 28,669,392	$ 44,168,539	$ 49,445,884	$ 79,978,784	$ 66,650,356	$ 59,072,278	$ 59,603,699

(concluded)

Source: Annual Comprehensive Financial Reports

Notes:
The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable for prepaid item	$ -	$ 637,076	$ 615,544	$ 165,821	$ -	$ 860,066	$ 1,769,783	$ 1,676,061	$ 864,828	$ 1,654,056
Assigned to purchases on order	213,086	249,535	368,299	370,937	-	-	-	-	-	-
Unassigned	21,341,930	19,873,549	29,516,925	30,200,943	40,567,720	54,412,746	83,205,558	62,992,949	56,027,191	49,177,985
Total general fund	$ 21,555,016	$ 20,760,160	$ 30,500,768	$ 30,737,701	$ 40,567,720	$ 55,272,812	$ 84,975,341	$ 64,669,010	$ 56,892,019	$ 50,832,041
All Other Governmental Funds										
Nonspendable for:										
Other receivables	$ -	$ 1,012,080	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid items	-	-	-	-	-	-	85,455	92,387	112,067	136,618
Restricted for:										
Debt service	4,691,760	4,819,196	4,872,308	5,194,332	5,431,277	5,391,090	5,447,165	5,237,181	5,423,039	4,774,147
Streets and drainage	5,196,877	10,002,200	21,348,943	21,375,992	27,915,981	28,346,663	23,938,330	16,036,584	15,232,253	12,494,491
Public facilities	6,607,230	723,553	731,229	743,463	1,639,503	2,114,201	5,334,839	5,919,661	6,157,907	4,933,394
Other capital projects	1,660,411	1,240,675	675,940	2,457,650	3,765,317	6,149,025	9,926,150	19,254,771	8,743,873	7,495,266
Other purposes	1,825,818	2,102,688	2,781,971	1,943,079	2,307,584	2,640,871	2,286,088	2,414,906	2,545,220	2,612,570
Committed to:										
Street rehabilitation	20,249,854	23,893,942	27,700,435	32,331,403	38,671,297	43,090,080	46,571,139	49,518,355	49,518,355	61,724,448
Parks and Recreation	-	-	-	-	-	-	-	-	1,060,885	1,508,928
Other capital projects	4,026,554	8,337,252	12,230,707	15,021,556	16,230,673	20,558,077	20,370,277	27,974,883	32,999,098	38,166,349
Assigned to:										
Streets and drainage	23,188,407	29,081,306	24,607,591	24,446,260	27,780,430	29,297,919	31,298,467	47,229,877	48,003,043	42,062,092
Public facilities	38,049,489	27,230,627	32,232,184	42,924,450	43,692,177	51,614,598	44,764,679	70,635,078	73,145,778	81,376,110
Parks and Recreation	-	-	-	-	-	-	-	-	34,475,024	34,993,995
Other capital projects	12,782,783	17,222,929	16,592,403	15,504,426	18,476,246	19,478,671	21,488,245	15,494,260	-	-
Other purposes	447,335	416,120	693,296	775,981	2,460,132	1,056,282	908,388	1,010,083	1,209,151	1,290,589
Total all other governmental funds	$ 118,726,518	$ 126,082,568	$ 144,467,007	$ 162,718,592	$ 188,370,617	$ 209,737,477	$ 212,419,222	$ 260,818,026	$ 278,625,693	$ 293,568,997

CITY OF CARROLLTON, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 4

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES:										
Taxes:										
Ad valorem	$ 66,398,279	$ 71,469,785	$ 76,855,743	$ 82,592,460	$ 88,768,605	$ 92,796,382	$ 96,481,355	$ 104,391,677	$ 114,592,210	$ 119,883,889
Penalty and interest	292,525	357,561	377,506	331,836	353,872	362,116	443,375	699,915	569,944	332,869
Sales	34,512,467	36,782,925	39,811,034	39,683,052	40,032,543	46,187,884	48,705,881	50,596,808	49,712,276	52,632,624
911 Taxes	-	-	-	-	1,071,761	1,178,780	1,164,967	1,078,814	1,874,111	1,213,470
Occupancy tax	243,946	292,908	237,466	189,529	211,851	122,512	173,648	594,040	577,425	534,573
Franchise fees	11,778,705	12,069,944	12,526,523	12,036,367	12,098,114	11,914,107	12,389,639	12,247,092	12,169,441	11,953,231
Assessments	332,882	119,602	193,024	35,051	6,000	245,151	96,118	133,271	37,710	439,968
Charges for services	6,110,532	6,403,950	5,928,261	5,994,144	4,796,116	5,313,457	6,506,501	5,950,704	6,278,211	6,833,027
Intergovernmental	1,844,504	5,156,464	2,941,484	1,812,798	11,163,313	8,906,495	13,590,703	2,816,880	2,336,955	5,853,602
Licenses and permits	3,073,660	2,534,636	3,842,351	3,456,916	2,644,682	3,024,157	3,087,566	2,653,808	2,275,975	3,486,078
Fines and forfeitures	6,395,729	5,670,108	5,273,714	4,251,630	3,549,876	3,451,446	3,572,432	3,113,064	3,332,016	4,088,425
Investment earnings net of change in fair value of investments	1,175,370	1,366,353	2,046,739	6,064,714	3,951,260	791,278	(7,266,743)	11,385,714	21,154,679	15,160,637
PID Assessment Revenue	-	-	-	1,447,982	1,448,765	3,630,288	1,223,792	1,193,769	1,194,688	1,192,967
Public-private partnership recovery	-	-	-	-	-	-	-	-	-	-
Miscellaneous	977,691	874,112	950,673	932,282	896,467	1,722,281	1,572,062	7,208,611	739,665	4,310,242
Total Revenues	133,136,290	143,098,348	150,984,518	158,828,761	170,993,225	179,646,334	181,741,296	204,064,167	216,845,306	227,915,602
EXPENDITURES:										
General government and administration	14,014,017	15,321,401	15,594,492	17,087,424	19,597,405	19,666,339	20,478,164	21,488,582	25,026,055	24,411,263
Public safety	52,904,040	55,951,997	59,132,645	62,330,071	64,353,549	67,448,974	67,997,711	70,394,339	78,509,534	85,083,848
Development services	10,913,353	10,391,297	11,075,739	12,744,091	11,663,392	11,611,302	11,859,954	9,818,879	13,153,759	14,380,229
Cultural and recreational	11,925,191	12,744,442	13,067,844	12,930,099	12,273,811	12,286,522	13,527,219	15,579,146	15,816,527	17,036,292
Capital outlay	44,075,358	47,987,312	29,673,776	35,434,318	33,092,153	34,379,273	40,821,719	53,636,425	76,236,723	83,782,504
PID Development Reimbursement	-	-	-	1,447,982	1,448,765	3,630,288	1,223,792	1,193,770	1,194,688	1,192,967
Debt Service:										
Principal retirement	13,980,000	14,535,000	15,435,000	16,240,000	15,620,000	15,390,000	16,161,681	18,533,235	24,449,083	25,520,807
Interest and fiscal charges	6,727,253	7,097,030	7,225,382	7,332,656	7,713,093	7,621,560	7,969,011	9,036,422	8,902,399	9,258,134
Total expenditures	154,539,212	164,028,479	151,204,878	165,546,641	165,762,168	172,034,258	180,039,251	199,680,798	243,288,768	260,666,044
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,402,922)	(20,930,131)	(220,360)	(6,717,880)	5,231,057	7,612,076	1,702,045	4,383,369	(26,443,462)	(32,750,442)
OTHER FINANCING SOURCES (USES):										
Bonds issued	17,680,000	19,550,000	19,680,000	45,293,634	20,025,000	25,015,000	22,595,000	28,140,000	29,493,533	33,000,000
Refunding bonds issued	11,435,000	-	-	-	-	-	-	-	-	-
Premium on bonds issued	4,702,702	1,817,737	1,768,771	6,153,639	4,223,669	4,697,762	1,718,104	4,227,254	-	-
Payment to refunded bond escrow agent	(13,532,110)	-	-	(29,075,932)	-	(8,362,131)	(1,778,525)	(5,571,060)	(500)	-
Leases issued	-	-	-	-	-	-	434,154	-	189,216	-
Sale of capital assets	36,838	323,080	4,248	165,010	10,555	(283,900)	-	-	-	-
SBITA issued	-	-	-	-	-	-	-	2,535,812	148,879	44,280
Transfers in	20,456,457	30,119,111	18,735,652	25,091,259	22,000,556	27,320,203	30,246,578	55,540,706	48,633,880	40,738,976
Transfers out	(15,709,063)	(24,318,903)	(11,842,964)	(22,421,212)	(16,008,793)	(19,927,058)	(22,533,082)	(61,163,608)	(41,990,870)	(32,579,487)
Total Other Financing Sources (Uses)	25,069,824	27,491,025	28,345,707	25,206,398	30,250,987	28,459,876	30,682,229	23,709,104	36,474,138	41,203,769
NET CHANGE IN FUND BALANCES	$ 3,666,902	$ 6,560,894	$ 28,125,347	$ 18,488,518	$ 35,482,044	$ 36,071,952	$ 32,384,274	$ 28,092,473	$ 10,030,676	$ 8,453,327
Debt service as a percentage of noncapital expenditures	15.7%	16.8%	20.4%	16.9%	16.7%	15.5%	16.7%	18.1%	17.0%	19.0%

Source: Annual Comprehensive Financial Reports

CITY OF CARROLLTON, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Table 5

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	11,222,038,729	2,553,129,415	2,689,149,080	11,086,019,064	0.612875
2017	12,314,098,039	2,774,168,176	3,144,059,376	11,944,206,839	0.603700
2018	13,480,378,990	2,819,164,332	3,295,255,620	13,004,287,702	0.599700
2019	14,757,267,240	3,007,035,638	3,528,802,758	14,235,500,120	0.594970
2020	15,984,400,142	3,229,734,057	3,703,096,727	15,511,037,472	0.589970
2021	11,750,320,003	3,464,642,682	4,014,858,327	11,200,104,358	0.587500
2022	17,326,687,644	3,801,954,737	4,275,155,797	16,853,486,584	0.582500
2023	20,687,707,521	3,783,431,734	5,335,557,712	19,135,581,543	0.562500
2024	24,063,504,142	4,098,242,199	6,840,897,692	21,320,848,649	0.553750
2025	25,669,837,269	3,879,007,112	6,598,407,293	22,950,437,088	0.538750

Source: City of Carrollton Budget Document

Note: Total Taxable Assessed Value represents original certified taxable value. This does not include valuation of protested property at certification date. In 2021, due to the impact of COVID, the original budget was based upon a certified estimate provided by two of our appraisal districts. After the final role was certified, the budget was amended to adopt a budget related to the certified role of $15,869,999,609.

CITY OF CARROLLTON, TEXAS

ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION

Table 6

Current Year and Nine Years Ago

(Unaudited)

	Fiscal Year 2025		Fiscal Year 2016		
		Percentage of Total Market Value		Percentage of Total Market Value	Ten Year Change
Market value:					
Certified Values:					
Real property:					
Land	$ 5,724,917,149	19.30%	$ 3,081,473,105	22.30%	85.79%
Improvements	$ 19,944,920,120	67.25%	8,140,565,624	58.90%	145.01%
Business personal property	$ 3,879,007,112	13.08%	2,553,129,415	18.47%	51.93%
Property Under Protest	$ 107,714,154	0.36%	45,444,297	0.33%	137.02%
Total Market value	29,656,558,535	100.00%	13,820,612,441	100.00%	114.58%
Less property exemptions/reductions:					
Single Family Residential:					
Homestead	2,245,972,488	7.57%	982,703,782	7.11%	128.55%
Over 65	915,091,817	3.09%	369,937,476	2.68%	147.36%
Disabled	26,825,760	0.09%	19,945,067	0.14%	34.50%
Disabled veterans	83,105,686	0.28%	14,846,220	0.11%	459.78%
Capped value	1,131,022,523	3.81%	63,519,860	0.46%	1680.58%
Total Single Family Residential	4,402,018,274	14.84%	1,450,952,405	10.50%	203.39%
Commercial:					
Agricultural	65,208,369	0.22%	54,717,844	0.40%	19.17%
Freeport	528,718,021	1.78%	409,831,029	2.97%	29.01%
Abatements/Tax grants	-	0.00%	247,577,412	1.79%	-100.00%
Low income housing	21,174,271	0.07%	10,571,794	0.08%	100.29%
Other exemptions	11,097,919	0.04%	530,776	0.00%	1990.89%
TIF Incremental Value	453,193,656	1.53%	38,054,354	0.28%	1090.91%
Total Commercial	1,079,392,236	3.64%	761,283,209	5.51%	41.79%
Totally exempt*	1,570,190,439	5.29%	762,545,232	5.52%	105.91%
Total property exemptions/reductions	7,051,600,949	23.78%	2,974,780,846	21.52%	137.05%
Estimated Net Taxable Value	$ 22,604,957,586	76.22%	$ 10,845,831,595	78.48%	108.42%

Source: Annual Budget Document and Dallas, Denton, and Collin Central Appraisal Districts

Notes:

* Total exempt properties include properties owned by federal, state and local governmental entities and by educational, religious and not-for-profits organizations qualifying under the IRS code.

CITY OF CARROLLTON, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per $100 of assessed value) Table 7

Last Ten Fiscal Years

(Unaudited)

	City Direct Rates			Overlapping Rates								
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Carrollton-Farmers Branch Independent School District	Dallas Independent School District	Lewisville Independent School District	Coppell Independent School District	Plano Independent School District	Dallas County a	Collin County b	Denton County	Valwood Improvement Authority c
2016	0.420043	0.192832	0.612875	1.281700	1.282085	1.476730	1.439000	1.439000	0.662750	0.306960	0.262000	0.270000
2017	0.425787	0.177913	0.603700	1.391700	1.282085	1.420000	1.492700	1.439000	0.654704	0.289617	0.248409	0.250000
2018	0.427790	0.171910	0.599700	1.381000	1.282085	1.407500	1.477700	1.439000	0.656738	0.272056	0.237812	0.220000
2019	0.430220	0.164750	0.594970	1.370000	1.412035	1.407500	1.460500	1.439000	0.656500	0.262007	0.225574	0.200000
2020	0.441146	0.146354	0.587500	1.268350	1.310385	1.337500	1.330900	1.337350	0.646600	0.256173	0.225278	0.180000
2021	0.441146	0.146354	0.587500	1.254700	1.296735	1.347300	1.131000	1.327500	0.629840	0.253753	0.224985	0.180000
2022	0.442807	0.139693	0.582500	1.201250	1.248235	1.308700	1.292000	1.320750	0.606456	0.249309	0.224985	0.170000
2023	0.417274	0.145226	0.562500	1.142900	1.184935	1.236800	1.217300	1.259750	0.569645	0.233663	0.217543	0.125000
2024	0.408525	0.145225	0.553750	0.983600	1.013835	1.130100	1.053500	1.077850	0.545246	0.230563	0.189485	0.100000
2025	0.393162	0.145588	0.538750	0.983600	0.997235	1.117800	1.002600	1.042450	0.533095	0.230563	0.187869	0.060000

Source: City of Carrollton Budget Office, Lewisville Independent School District, Dallas Central Appraisal District, Plano Independent School District, Denton County, Collin County

Notes:

(a) Dallas County includes Dallas County, Dallas County Hospital District and Dallas County Community College District & School Equalization.

(b) Collin County includes Collin County and Collin County Community College District.

(c) A typical property tax bill would consist of City, School District and County taxes. Valwood Improvement Authority is a flood reclamation district serving commercial property only in the southwest corner of the City.

CITY OF CARROLLTON, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

Table 8

Fiscal Year 2025			Fiscal Year 2016		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Avalon West Plano LP	$ 139,000,000	0.61%	Bella Vida Gardens Associates LLC	$ 64,745,650	0.58%
Streit Castle Hills LLC	116,838,764	0.51%	Mansions at Sunset Ridge Partners LP	59,002,522	0.53%
Prologis LP	109,338,940	0.48%	JPMorgan Chase Bank NA	55,260,080	0.50%
Texas Dugan LTD P/S	101,911,120	0.44%	Halliburton Energy Services	54,900,034	0.50%
4253 Hunt Drive LLC	101,500,000	0.44%	Cyrus One LLC	50,000,000	0.45%
Mansions at Sunset Ridge	95,055,583	0.41%	Ari-International Business Park	49,354,520	0.45%
Huffines Boulevard Owner LLC	89,000,000	0.39%	BH Autumn Chase Apartments LP	44,693,297	0.40%
IBM Corporation	88,426,704	0.39%	Meridian Apartments	44,600,000	0.40%
IMP Castle Hills LP	83,200,000	0.36%	Texas Dugan Ltd.	44,332,512	0.40%
Oncor Electric Delivery	79,527,770	0.35%	Frankel, Edward B MD TR	43,675,923	0.39%
Total Assessed Value of Top-ten Taxpayers:	1,003,798,881	4.37%	Total Assessed Value of Top-ten Taxpayers:	510,564,538	4.61%
Total Assessed Value of Other Taxpayers:	21,946,638,207	95.63%	Total Assessed Value of Other Taxpayers:	10,575,454,526	95.39%
Total Assessed Value:	$ 22,950,437,088	100.00%	Total Assessed Value:	$ 11,086,019,064	100.00%

Source: Dallas County Tax Office and Denton County Tax Office

CITY OF CARROLLTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year	Taxes Budgeted Within the Fiscal Year of the Levy	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2016	65,141,963	68,039,266	(593,223)	67,446,043	67,692,625	100.37%	(338,092)	67,354,533	99.86%
2017	71,793,263	73,359,863	(190,107)	73,169,756	72,990,754	99.76%	93,028	73,083,782	99.88%
2018	77,367,377	79,069,384	(293,510)	78,775,874	78,587,752	99.76%	67,955	78,655,707	99.85%
2019	84,016,514	85,625,004	(363,119)	85,261,885	85,127,427	99.84%	28,094	85,155,521	99.88%
2020	91,009,376	91,990,778	(400,021)	91,590,757	91,506,515	99.91%	(80,004)	91,426,511	99.82%
2021	94,307,109	97,255,897	(379,332)	96,876,565	96,422,620	99.53%	325,729	96,748,349	99.87%
2022	97,677,806	100,086,098	(404,727)	99,681,371	99,510,007	99.83%	15,406	99,525,413	99.84%
2023	106,373,734	108,209,947	(1,545,130)	106,664,817	107,518,800	100.80%	(1,155,354)	106,363,446	99.72%
2024	115,723,064	117,475,455	(1,571,839)	115,903,616	116,389,737	100.42%	(930,497)	115,459,240	99.62%
2025	120,451,216	121,438,112	925,336	122,363,448	121,343,631	99.17%	-	121,343,631	99.17%

Source: Dallas Central Appraisal District and Dallas County Tax Office
Denton Central Appraisal District and Denton County Tax Office

CITY OF CARROLLTON, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

Table 10

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)				Water and Sewer Revenue Bonds					
	Par	Premium	Leases	SBITA	Par	Premium	SBITA			
2016	165,015,000	13,939,418	-	-	12,925,000	653,357	-	192,532,775	4.66%	1,504
2017	170,030,000	14,707,459	-	-	11,615,000	554,238	-	196,906,697	4.31%	1,505
2018	174,275,000	15,324,781	-	-	5,625,000	453,470	-	195,678,251	4.06%	1,479
2019	173,540,000	19,696,604	-	-	13,545,000	1,411,434	-	208,193,038	4.49%	1,531
2020	177,945,000	22,559,632	-	-	11,890,000	1,240,153	-	213,634,785	3.91%	1,552
2021	179,260,000	25,142,993	-	-	10,195,000	1,068,730	-	215,666,723	4.23%	1,548
2022	184,710,000	24,185,344	4,839,655		8,445,000	897,308	-	223,077,307	4.11%	1,651
2023	190,470,000	26,112,878	4,117,296	2,769,765	7,105,000	767,133	1,870,783	233,212,855	4.11%	1,717
2024	202,225,000	25,157,378	3,538,801	1,447,276	13,235,000	1,246,230	1,448,837	248,298,522	4.12%	1,784
2025	202,225,000	25,157,378	2,793,770	730,472	13,235,000	1,281,690	973,168	246,396,478	3.99%	1,805

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Table 15 for personal income and population data.

(b) Direct Debt outstanding listed above does not include items not paid for by city property tax revenue. Does not include a PID Note payable that is the responsiblity of the homeowners in a designated area of the city.

CITY OF CARROLLTON, TEXAS

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Table 11

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Amounts Available in Debt Service Fund (a)	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
2016	178,954,418	-	178,954,418	3,856,159	175,098,259	1.58%	1,368
2017	184,737,459	-	184,737,459	3,957,847	180,779,612	1.51%	1,382
2018	189,599,781	-	189,599,781	3,979,314	185,620,467	1.43%	1,403
2019	193,509,604	-	193,509,604	4,279,014	189,230,590	1.27%	1,390
2020	200,504,632	-	200,504,632	4,481,765	196,022,867	1.26%	1,424
2021	204,517,993	-	204,517,993	5,391,089	199,126,904	1.78%	1,429
2022	208,895,344	-	208,895,344	5,447,165	203,448,179	1.21%	1,506
2023	216,582,878	-	216,582,878	5,237,181	211,345,697	1.10%	1,556
2024	221,539,345	-	221,539,345	5,423,039	216,116,306	1.01%	1,584
2025	227,382,378	-	227,382,378	4,774,147	222,608,231	0.97%	1,630

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a] This is the amount restricted for debt service principal payments. Government-Wide Statement of Net Position.

[b] See Table 5 for property value data.

[c] See Table 15 for population data.

CITY OF CARROLLTON, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
Current Year
(Unaudited)

Table 12

Governmental Unit (b)	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Carrollton-Farmers Branch Independent School District	$ 908,585,000	37.11%	$ 337,175,894
Collin County	982,755,000	0.07%	687,929
Collin County Community College	438,250,000	0.07%	306,775
Coppell Independent School District	421,575,194	0.02%	84,315
Dallas County	179,530,000	2.37%	4,254,861
Dallas County Hospital District	511,285,000	2.37%	12,117,455
Dallas County Community College District	247,115,000	2.37%	5,856,626
Dallas Independent School District	4,613,765,000	1.04%	47,983,156
Denton County	721,100,000	7.25%	52,279,750
Lewisville Independent School District	1,545,585,000	14.42%	222,873,357
Plano Independent School District	1,409,280,000	0.22%	3,100,416
Subtotal, overlapping debt			686,720,532
City of Carrollton (direct debt) (c)	227,382,378	100.00%	227,382,378
Total direct and overlapping debt			$ 914,102,910

Source: City of Carrollton Treasury Office

Notes:
(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is with the City's boundaries and dividing by the entities' total taxable assessed value.
(b) Overlapping governments are those that coincide, at least in part with, the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Carrollton. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residential and commercial taxpayer should be taken into account. However, this does not imply that every Carrollton taxpayer is a property owner and therefore responsible for repaying the debt of any particular overlapping government.
(c) Direct Debt outstanding listed above includes SBITA and Leased assets, but does not include items not paid for by city property tax revenue. It does not include a PID Note payable that is the responsiblity of the homeowners in a designated area of the city.

CITY OF CARROLLTON, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Table 13

	Waterworks and Sewer System Revenue Bonds				
Fiscal Year	Total Revenues	Less: Operating Expenses (b)	Net Available Revenue	Average Annual Requirement	Times Coverage
2016 (a)	37,738,309	33,738,639	3,999,670	1,426,329	2.80
2017 (a)	40,014,788	35,992,187	4,022,601	1,385,524	2.90
2018 (a)	45,476,534	39,395,153	6,081,381	1,237,640	4.91
2019 (a)	46,192,294	39,869,774	6,322,520	1,142,303	5.53
2020 (a)	49,848,279	40,521,415	9,326,864	1,070,043	8.72
2021 (a)	49,234,955	40,981,730	8,253,225	986,773	8.36
2022 (c)	52,627,371	42,965,413	9,661,958	2,020,735	4.78
2023 (c)	56,763,268	47,092,413	9,670,855	818,323	11.82
2024 (c)	62,065,034	52,021,898	10,043,136	995,097	10.09
2025 (c)	63,808,446	58,028,206	5,780,240	1,004,012	5.76

Source: Annual Comprehensive Financial Report

Notes:
(a) Includes operating revenues (charges for services and miscellaneous income) and investment income of the Water and Sewer Fund
(b) Includes operating expenses minus depreciation plus transfers out of the Water and Sewer Fund.
(c) Beginning in 2022, transfers in were no longer being included as part of the total operating revenue.

CITY OF CARROLLTON, TEXAS

DIRECT AND CONTRACTUALLY OBLIGATED - PROPERTY TAX AND REVENUE DEBT

Table 14

Last Six Fiscal Years

(Unaudited)

	2025	2024	2023	2022	2021	2020
City of Carrollton - direct debt:						
Paid with property taxes	$ 227,382,378	$ 226,525,422	$ 223,469,939	$ 213,734,999	$ 204,402,993	$ 200,504,632
Paid with dedicated revenues:						
Water and sewer revenues	14,481,230	15,439,592	7,872,133	9,342,308	11,263,730	13,130,152
Total direct debt	241,863,608	241,965,014	231,342,072	223,077,307	215,666,723	213,634,784
Other Entities - contractually obligated to be paid with water and sewer revenues:						
Dallas Water Utilities (DWU)(a)	62,519,519	60,498,606	51,578,376	57,038,446	57,190,523	50,268,153
Trinity River Authority (TRA) - Central Regional Wastewater System (CRWS)(b)	92,832,176	94,695,944	100,293,883	94,333,322	97,381,397	107,365,652
Total contractually obligated debt	$ 155,351,695	$ 155,194,550	$ 151,872,259	$ 151,371,768	$ 154,571,920	$ 157,633,805

Notes:

(a) Carrollton has a "take or pay" contract to purchase potable water on a wholesale basis. Contractually obligated debt is calculated based on Carrollton's Rate of Flow setting as a percent of all wholesale customers applied to total outstanding DWU debt multiplied by the percentage of the DWU system application to wholesale customer activities. Debt numbers are taken from the DWU Wholesale Rate Study.

(b) Carrollton has a contractual obligation to pay its pro rata share of all operating and debt related expenses based on its percentage of flows to the CRWS. Contractually obligated debt is calculated based on the City's percentage of flows to CRWS. In addition, the City is considered an "Obligated part" on all TRA CRWS debt outstanding. As such, it must make continuing disclosures on TRA CRWS debt and contract maturity is automatically extended to the final maturity of outstanding CRWS debt. TRA is a November 30th year end.

CITY OF CARROLLTON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Table 15

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	127,980	4,130,299	32,273	36.9	20,058	3.7%
2017	130,820	4,572,682	34,954	36.2	19,797	3.1%
2018	132,330	4,816,150	36,395	37.4	19,500	3.3%
2019	136,170	4,642,852	34,096	36.9	19,317	2.8%
2020	137,650	5,460,576	39,670	37.0	16,127	6.8%
2021	139,350	5,103,554	36,624	37.0	18,058	5.1%
2022	135,110	5,427,098	40,168	37.4	17,849	3.2%
2023	135,801	5,677,025	41,804	37.9	17,430	3.4%
2024	136,479	5,911,315	43,313	40.1	17,027	3.4%
2025	136,543	6,179,390	45,256	41.2	16,395	3.7%

Source: Estimated population provided by the North Central Texas Council of Governments. Per capita income and median age provided by US Census Bureau's American Community Survey. School enrollment (for schools located in Carrollton) provided by Carrollton/Farmers Branch ISD and Lewisville ISD. School enrollment figures for Lewisville ISD include only students living in Carrollton zip codes. Unemployment rates provided by Bureau of Labor Statistics

Note: A delay in census reporting led to population estimates being used in 2020 and 2021. These values were updated in North Central Texas Council of Government's reports and were lower than previous estimates.

CITY OF CARROLLTON, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

Table 16

2025			2016		
Employer (a)	**Employees**	**Percentage of Total City Employment**	**Employer (a)**	**Employees**	**Percentage of Total City Employment**
Brandt	1,200	1.19%	Halliburton Energy Services	1,300	1.71%
AER Manufacturing	1,000	0.99%	Thomson Reuters	1,000	1.31%
Western Extrusions	1,000	0.99%	McKesson Corporation	727	0.95%
BuzzBallz	626	0.62%	ACCOR Hospitality	700	0.92%
Schneider Electric	574	0.57%	General Aluminum Corporation	650	0.85%
Fairway Independent Mortgage Corp	513	0.51%	Western Extrusions Corporation	600	0.79%
International Paper	450	0.45%	Baylor Medical Center	565	0.74%
MB2 Dental	450	0.45%	Brandt	550	0.72%
Cyrus One	400	0.40%	Realpage	500	0.66%
Sanmina	400	0.40%	Rudy's Tortillas	500	0.66%
Total	6,613	6.54%(b)		7,092	9.31%(b)

Source: City of Carrollton Economic Development, Direct Company Contact (2024), City of Carrollton ACFR (2015)

Notes:
(a) Listing includes only private sector employers.
(b) Based on estimated Total Labor Force of 101,091 in 2025 and 76,151 in 2016.

CITY OF CARROLLTON, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Table 17
Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government and Administration	86.1	88.9	88.9	80.4	87.4	117.2	121.2	127.2	128.2	132.2
Public Safety	457.1	446.1	447.6	451.3	456.3	455.0	464.5	466.5	463.0	469.0
Development Services	113.0	113.0	108.0	108.5	108.5	107.5	109.3	104.3	105.3	106.3
Culture and Recreational	115.8	118.8	118.8	119.25	119.30	119.30	117.00	126.00	127.00	127.00
Water and Sewer	52.0	52.0	58.0	66.0	66.0	66.0	63.7	62.7	62.7	62.7
Fleet Services	0.5	0.5	0.5	0.8	0.8	0.8	0.8	1.8	1.8	1.8
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capital Projects and Special Revenue	6.0	7.0	8.0	8.0	8.0	8.0	10.0	11.0	11.0	11.0
Total	831.5	827.3	830.8	835.3	847.3	874.8	887.5	900.5	900.0	911.0

Source: City Budget Office

NOTE: In FY2021, Information Technology transitioned from an outsourced service to full-time Carrollton staff.

CITY OF CARROLLTON, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 18

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Number of Employees	217	221	226	215	231	231	236	234	230	232
Number of Violations (Citations)	41,435	35,926	32,361	27,574	29,300	23,181	23,275	18,344	19,210	22,096
Fire										
Number of Employees	158	173	171	175	175	175	177	177	177	180
Number of Fire runs	3,868	3,677	4,048	4,125	4,046	5,255	4,594	4,505	5,652	5,369
Number of EMS runs	7,770	8,093	8,344	8,636	8,738	9,732	10,347	9,967	10,192	10,069
Development Services										
Street Resurfacing (miles)	5	1	0	2	2	2	6	2	3	12
Cultural and Recreational										
Parks and Recreation										
Participants in Leisure Service Programs(b)(e)(f)	36,024	36,781	22,981	40,052	23,127	48,975	47,207	56,225	48,516	65,737
Participants in Athletic Programs (d)(f)(j)	78,216	68,928	59,967	5,286	4,485	-	-	-	-	-
Library(h)										
Volumes in Collection	193,453	185,244	183,173	177,667	170,212	159,253	144,475	140,895	141,992	139,485
Water and Sewer										
Number of Water Consumers	36,841	37,168	37,686	37,482	39,300	36,902	37,138	36,730	38,927	38,894
Average Daily Water Consumption (gallons)(a)	19,524,000	19,753,000	20,711,000	19,203,000	21,698,000	21,792,000	24,218,000	23,671,000	22,718,000	22,760,000
Maximum Storage Capacity (gallons)	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,075,000	48,575,000	48,575,000	48,575,000	48,575,000
Unaccounted for Water (i)	7.17%	7.64%	8.26%	9.91%	6.27%	11.21%	6.40%	10.08%	8.96%	10.46%
Sanitation (residential)(g)										
Refuse Collected (tons)	30,062	28,674	28,126	33,638	43,344	35,504	28,755	28,683	30,018	26,869
Bulk/Brush Pickups (tons)	16,611	18,790	18,111	21,772	19,164	18,657	10,186	18,078	18,740	15,922
Recyclables Collected (tons)	7,947	7,800	7,130	6,304	5,580	7,098	7,047	6,626	5,845	6,117
Golf Course(c)(f)										
Number of Paid Rounds Played	16,968	63,312	52,986	37,133	19,398	78,656	95,364	91,076	86,417	102,293

Source: City Departments

Notes:

(a) Fiscal Year 2022 Average Daily Water Consumption increased as a result of unseasonably dry weather throughout the spring and summer.
(b) - In 2018, the City's Senior Center participants dropped due to colder weather.
(c) - In Fiscal Year 2016, the Golf Course was closed due to flooding from September to March.
In Fiscal Year 2019, the Golf Course was closed due to repairs from December 18, 2028 to February 7, 2019
In Fiscal Year 2020, the Golf Course was closed or had restricted availablity as a result of the Coronavirus pandemic.
(d) - In Fiscal Year 2019, the Rosemeade Auquatics Center was closed for remodel for the entire season.
(e) - In Fiscal Year 2019, the Leisure Services expanded the number of special events and Senior Center participants returned to normal levels.
(f) - In Fiscal Year 2020, Recreation and Althletic facilities were closed or had restricted availablity as a result of the Coronavirus panedmic.
(g) - In Fiscal Year 2019, Sanitation indicators for the last quarter of 2019 was projected based on previous quarters based on a 36 month average.
(h) - In Fiscal Year 2019, the Library withdrew worn or outdated materials to improve process efficiency and customer service.
In FiscalYear 2020, Library continued to withdraw worn and outdated materials while transitioning to an RFID Security System.
(i) FY2021 - Unaccounted for water increase was a result of broken pipes related to Winter Storm in February 2021.
(j) In FY2021, the Parks & Recreation restructured their department which combined participation into one entity.

CITY OF CARROLLTON, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 19

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units (a)	36	36	36	46	49	51	51	51	51	51
Police Motorcycle Units	8	7	4	2	2	2	2	2	2	2
Fire Stations	8	8	8	8	8	8	8	8	8	8
Development Services										
Streets- Paved (miles) (b)	1,176	1,176	1,176	1,068	1,068	1,068	1,121	1,449	1,449	1,230
Alleys - Paved (miles)	189	189	210	210	210	210	210	220	220	221
Cultural and Recreational										
Parks (acres)	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,848	1,829
Playgrounds	25	25	25	29	29	29	29	29	29	29
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Splash Parks	1	2	2	2	2	2	2	2	2	2
Tennis Courts	29	28	28	28	28	27	27	24	24	23
Pickle Ball Courts	-	-	-	-	-	-	4	6	6	10
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	584	580	600	612	612	631	631	617	618	618
Fire Hydrants	5,278	5,363	5,398	5,398	5,409	5,590	5,590	5,620	5,650	5,650
Sanitary Sewers (miles)	417	418	425	430	432	432	432	437	437	437

Source: City Departments

Notes:

(a) Motorcycles have been transitioned to full-size vehicles; an additional patrol beat was added in 2019. PD restructured the departments and transitioned unmarked vehicles to marked vehicles and added an SRO position in 2020.

(b) Pavement Condition Index (PCI) was updated in 2019

CITY OF CARROLLTON, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES (FUNDING BASIS)
Last Ten Fiscal Years
(Unaudited)

Table 20

Fiscal Year	(1) Actuarial Value of Assets**	(2) Actuarial Accrued Liability*	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total TMRS Required Contribution Rate	(8) Prior Service Portion of the TMRS Rate
2016	353,760,083	378,581,941	93.4%	24,821,858	52,561,347	47.2%	11.48%	3.92%
2017	372,404,523	396,236,792	94.0%	23,832,269	52,035,292	45.8%	12.44%	4.03%
2018	393,485,849	414,941,180	94.8%	21,455,331	56,485,201	38.0%	12.38%	3.98%
2019	409,035,774	431,606,390	94.8%	22,570,616	58,218,122	38.8%	11.95%	3.60%
2020	429,681,970	449,427,990	95.6%	19,746,020	58,997,932	33.5%	12.12%	3.79%
2021	452,176,561	466,999,463	96.8%	14,822,902	64,112,408	23.1%	11.84%	3.41%
2022	477,686,020	492,353,030	97.0%	14,667,010	66,684,036	22.0%	10.84%	2.43%
2023	493,679,920	515,220,132	95.8%	21,540,212	67,868,310	31.7%	11.62%	3.26%
2024	514,099,018	534,793,431	96.1%	20,694,413	71,745,124	28.8%	12.13%	3.13%
2025	538,916,813	560,829,234	96.1%	21,912,421	77,838,038	28.2%	12.20%	3.17%

Source: Texas Muncipal Retirement System

Notes:
* As of December 31 of the preceding year, the date of the actuarial valuation.
** Actuarial value of assets is calculated using 10-year smoothing.

The actuarial accrued liability was calculated using Entry Age Normal actuarial funding method.

Effective in fiscal year 2015, GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB 68) created two actuarial valuations for pensions; a funding valuation and a reporting valuation. Trend information for the GASB 68 reporting valuation is included as Required Supplementary Information (RSI) immediately following the Notes to Basic Financial Statements. This table contains information on a funding basis only.

CITY OF CARROLLTON, TEXAS

ACTIVE AND RETIREE HEALTH INSURANCE COSTS

Table 21

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Total Health Plan Expenses	Retiree Expenses	Percentage Retiree Costs to Total	Active Members	Retirees Using City Health Plan	Total TMRS Retirees	Percentage Retirees Using Plan to Total Members	Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
2016	11,288,978	814,495	7.2%	733	44	545	5.7%	565,829	(248,666)	2.2%	14,290	18,511
2017	12,298,793	1,525,098	12.4%	723	33	574	4.4%	511,443	(1,013,655)	8.2%	14,901	46,215
2018	13,171,180	652,127	5.0%	729	27	606	3.6%	380,906	(271,221)	2.1%	17,173	24,153
2019	11,425,905	741,597	6.5%	721	24	652	3.2%	413,983	(327,614)	2.9%	14,819	30,900
2020	9,928,645	535,969	5.4%	763	21	697	2.7%	388,603	(147,366)	1.5%	12,310	25,522
2021	11,750,790	247,966	2.1%	746	24	737	3.1%	113,431	(134,535)	1.1%	15,419	10,332
2022	10,787,890	108,776	1.0%	740	21	768	2.8%	330,107	221,331	-2.1%	14,431	5,180
2023	11,379,858	(138,494)	-1.2%	745	15	812	2.0%	327,077	465,571	-4.1%	15,461	(9,233)
2024	14,201,055	340,780	2.4%	791	24	836	2.9%	194,898	(145,882)	1.0%	17,522	14,199
2025	14,201,055	91,406	0.6%	814	12	858	1.5%	191,576	100,170	-0.7%	17,334	7,617
Total	$ 120,434,149	$ 4,919,720	4.1%					$ 3,417,853	$ (1,501,867)	1.2%		
Average	$ 12,043,415	$ 491,972		751	25	709	3.17%	$ 341,785	$ (150,187)		15,366	17,340

Source: City Records, Third Party Administrator Records, Texas Municipal Retirement System (TMRS)

Notes: During FY 2018, Total Health Plan expenses increased due to claims run out during the change of a third party administrator.
During FY 2022, total healthplan expenses decreased due to the removal of a high cost claimant from the plan and a high level of vacancies from retiree plan.

CONTINUING FINANCIAL DISCLOSURE TABLES
(Unaudited)

The Continuing Financial Disclosure Tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.

CARROLLTON

TEXAS

CITY OF CARROLLTON, TEXAS

Continuning Disclosure Tables
Year ended September 30, 2025

Table CD-1
TAX AND DEBT FINANCIAL INFORMATION
(Unaudited)

Tax Year 2025	**Appraised Value of Taxable Property [1]**		$ 30,367,878,444
Less Exemptions:			
	Agricultural Land Use	$ 64,053,717	
	Homestead	2,245,368,400	
	Disabled Veterans	99,564,642	
	Over 65	1,059,566,596	
	Disabled Persons	31,433,834	
	Totally Exempt	1,764,472,509	
	Freeport	638,054,711	
	Leased Vehicles		
	Capped Value	567,502,347	
	Low Income Housing	23,734,845	
	Other Exemptions	25,193,219	
	Total Exemptions		6,518,944,820
Tax Year 2025	**Certified Assessed Valuation [1]**		$ 23,848,933,624
Gross General Obligation Bonded Debt:			
	General Purpose Bonds and Certificates (Par Value Only) Projected as of 9/30/2026		$ 210,290,000
	Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2025[2]		4,774,147
Net General Obligation Bonded Debt			$ 205,515,853
Ratio of Gross General Obligation Bonded Debt to 2025 Taxable Valuation			0.88%
Ratio of Net General Obligation Bonded Debt to 2025 Taxable Valuation			0.86%

2020 Census Population - 133,251
2024 Estimated Population - 136,543
Per Capita Taxable Valuation - $174,662
Per Capita Gross General Obligation Bonds Bonded Debt - $1,540
Per Capita Net General Obligation Bonds Bonded Debt - $1,505

(1) Certified tax roll provided by the Dallas Central, Denton Central, and Collin Central Appraisal Districts (the "Appraisal Districts") in July 2025. The certified roll is the official tax value for the fiscal year, although it is subject to change as supplemental information is reported to the City by the Appraisal Districts throughout the year. The City used an estimated taxable valuation of $23,637,723,542 which includes an increase of $291,688,284 for estimated valuation on property under protest less $502,898,366 of the incremental value assigned to the City's Tax Increment Reinvestment Zone.

(2) Debt service fund balance at end of year per Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances, GAAP Basis.

Source: City of Carrollton

TABLE CD-2
VALUATION AND FUNDED DEBT HISTORY
(Unaudited)

Fiscal Year	Taxable Valuation [1]	% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)	Funded Debt Outstanding At Year End	Ratio Funded Debt to Taxable Valuation %
2016/17	11,944,206,839	7.74%	170,030,000 [2]	1.42%
2017/18	13,004,287,702	8.88%	174,275,000 [2]	1.34%
2018/19	14,235,500,120	9.47%	173,540,000 [2]	1.22%
2019/20	15,511,037,472	8.96%	182,420,000 [2]	1.18%
2020/21	15,869,999,604	2.31%	179,375,000 [2]	1.13%
2021/22	16,853,486,584	6.20%	184,710,000 [2]	1.10%
2022/23	19,135,581,543	13.54%	190,470,000 [2]	1.00%
2023/24	21,320,848,649	11.42%	195,050,000 [2]	0.91%
2024/25	22,950,437,088	7.64%	202,255,000 [2]	0.88%
2025/26	23,848,933,624	3.91%	210,290,000 [3]	0.88%

(1) Taxable Valuation based on intial Certified Tax Values. Amounts do not include disputed property values at time of tax roll certification.

(2) Amount reflects outstanding par amount only at fiscal year end.

(3) Amount reflects outstanding par amount plus the 2026 bond issuance of $33,250,000 at par.

TABLE CD-3

TOTAL TAXABLE VALUATION BY CATEGORY [1]
(Unaudited)

	Real Property		Personal & Other Property		
Fiscal Year	Taxable Valuation	% of Total	Taxable Valuation	% of Total	Total Taxable Valuation
2016/17	9,676,011,654	81%	2,268,195,185	19%	11,944,206,839
2017/18	10,647,777,273	82%	2,356,510,429	18%	13,004,287,702
2018/19	11,773,812,429	83%	2,461,687,691	17%	14,235,500,120
2019/20	12,832,632,201	83%	2,678,405,271	17%	15,511,037,472
2020/21	13,041,776,312	82%	2,828,223,292	18%	15,869,999,604
2021/22	13,970,258,259	83%	2,883,228,325	17%	16,853,486,584
2022/23	15,906,035,930	83%	3,229,545,613	17%	19,135,581,543
2023/24	17,995,459,239	84%	3,325,389,410	16%	21,320,848,649
2024/25	19,611,245,916	85%	3,339,191,172	15%	22,950,437,088
2025/26	20,385,064,136	85%	3,463,869,488	15%	23,848,933,624

(1) Source: Dallas Central, Denton Central and Collin Central Appraisal Districts.

TABLE CD-4

TOTAL APPRAISED VALUATION BY CATEGORY[1]

(Unaudited)

Property Use Category	Tax Year 2025	Tax Year 2024	Tax Year 2023	Tax Year 2022	Tax Year 2021
Real, Residential, Single Family, and Mobile Homes Real	$ 15,403,268,995	$ 15,304,749,771	$ 14,851,704,682	$ 12,412,788,589	$ 10,280,684,597
Residential, Multiple Family	3,299,620,187	3,226,962,016	2,988,748,460	2,642,321,481	2,220,965,526
Real, Vacant Lots/ Tracts	216,455,983	183,440,258	190,683,578	193,658,339	189,818,844
Real, Acreage (Land Only)	64,160,242	65,366,133	66,182,562	64,274,213	58,416,485
Real, Commercial, Industrial and Utilities	5,944,443,091	5,436,785,419	4,789,929,047	4,419,456,790	3,980,536,656
Tangible Personal, Commercial Industrial and Utilities	4,061,480,072	3,839,498,715	4,039,144,240	3,781,844,634	3,848,926,523
Tangible Personal, Special Inventory Other	76,121,734	81,553,029	84,416,270	74,360,841	63,131,869
Total Appraised Valuation[1 2]	$ 29,065,550,304	$ 28,138,355,341	$ 27,010,808,839	$ 23,588,704,887	$ 20,642,480,500
Total Exempt Property	1,792,758,956	1,597,938,281	1,502,928,177	1,388,854,893	1,052,573,091
Disputed ARB/ ERV Market Value	(490,430,816)	(187,449,241)	(351,990,675)	(506,420,525)	(566,411,210)
Total Market Value	$ 30,367,878,444	$ 29,548,844,381	$ 28,161,746,341	$ 24,471,139,255	$ 21,128,642,381
Productivity Loss	(64,053,717)	(65,208,369)	(66,077,301)	(64,169,653)	(58,312,564)
Homestead Cap	(567,502,347)	(1,131,022,523)	(1,585,472,640)	(784,876,003)	(117,119,165)
Exemptions	(5,887,388,756)	(5,402,176,401)	(5,189,347,751)	(4,486,512,056)	(4,099,724,068)
Total Property Exemptions	$(6,518,944,820)	$(6,598,407,293)	$(6,840,897,692)	$(5,335,557,712)	$(4,275,155,797)
Certified Assessed Valuation	$ 23,848,933,624	$ 22,950,437,088	$ 21,320,848,649	$ 19,135,581,543	$ 16,853,486,584

(1) The Total Appraised Valuation consists of the market valuation of all property within the City including property under protest, before exemption, and is determined by the Appraisal Districts each July. Certain items of classification have been combined in order to provide a consistent basis of comparison with the presentation from prior years. Amounts include certified values and estimated property under protest, and do not include value for totaly exempt properties

(2) Represents gross values, prior to exemptions.

Source: Dallas, Denton, and Collin County Central Appraisal Districts.

TABLE CD-5
PERCENTAGE TOTAL APPRAISED VALUATION BY USE CATEGORY
(Unaudited)

Property Use Category	2025	2024	2023	2022	2021
Real Property					
Single-Family Residential	53.0%	54.4%	55.0%	52.6%	49.8%
Multi-Family Residential	11.4%	11.5%	11.1%	11.2%	10.8%
Vacant Lots/Tracts	0.7%	0.7%	0.7%	0.8%	0.9%
Acreage-Land Only	0.2%	0.2%	0.2%	0.3%	0.3%
Commercial, Industrial, and Utilities	20.4%	19.3%	17.7%	18.7%	19.3%
Tangible Personal Property					
Commercial, Industrial, and Utilities	14.0%	13.6%	15.0%	16.0%	18.6%
Other	0.3%	0.3%	0.3%	0.3%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year Ended September 30, 2025

TABLE CD-6
PROPERTY TAX RATES, LEVIES AND COLLECTIONS
(Year Ended 9-30)
(Unaudited)

	Tax Rate Distribution					
Fiscal Year Ended	Total Tax Rate	Operating/ General Fund	Interest and Sinking Fund	Adjusted Tax Levy for Fiscal Year[1]	Percent of Current Collections	Percent of Total Collections
2016/17	0.603700	0.425787	0.177913	73,169,756	99.76%	99.88%%
2017/18	0.599700	0.427790	0.171910	78,775,874	99.76%	99.85%%
2018/19	0.594970	0.430220	0.164750	85,261,885	99.84%	99.88%%
2019/20	0.589970	0.438870	0.151100	91,590,757	99.91%	99.82%%
2020/21	0.587500	0.441146	0.146354	96,876,565	99.53%	99.87%%
2021/22	0.582500	0.442807	0.139693	99,681,371	99.83%	99.84%%
2022/23	0.562500	0.417274	0.145226	106,664,817	100.80%	99.72%%
2023/24	0.553750	0.408525	0.145225	115,903,616	100.42%	99.62%%
2024/25	0.538750	0.393162	0.145588	122,363,448	99.17%	99.17%
2025/26	0.537500	0.387652	0.149848	125,678,309	[2]	[2]

Source: City of Carrollton.

(1) Adjusted Tax Levy and Collections at Fiscal Year End.

(2) In process of collection.

TABLE CD-7
TOP TEN TAXPAYERS
Fiscal Year 2026
(Unaudited)

Name	Nature of Property	Total Taxable Value [1]	% of Total Taxable Value
1 Pratt & Whitney	Technology	$ 224,500,663.00	0.94%
2 Prologis LP	Technology	124,840,440.00	0.52%
3 Avalon West Plano LP	Apartments	124,000,000.00	0.52%
4 Sreit Castle Hills LLC	Apartments	116,838,764.00	0.49%
5 Texas Dugan LTD P/S	Real Estate	110,193,219.00	0.46%
6 4253 Hunt Drive LLC	Apartments	106,900,000.00	0.45%
7 Mansions at Sunset Ridge	Apartments	96,555,583.00	0.40%
8 C1 Dallas - Carrollton LLC	Real Estate	85,000,000.00	0.36%
9 IMP Castle Hills LP	Apartments	85,000,000.00	0.36%
10 Huffines Boulevard Owner LLC	Apartments	84,300,000.00	0.35%
Total		$ 1,158,128,669	4.86%

(1) Total taxable value including real and personal property is $23,848,933,624
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2025 (Fiscal Year 2026)

TABLE CD-8
DEBT SERVICE FUND MANAGEMENT INDEX
(Unaudited)

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/26		$ 34,420,816 [1]
Debt Service Fund, All General Obligation Issues 9/30/25 [2]	$ 4,774,147	
Budget for Fiscal Year 2025/26 Debt Service Fund Tax Levy @ 100% Collection	35,420,579	40,194,726
Estimated Debt Service Fund Balance, Fiscal Year Ending 9/30/26		$ 5,773,910

(1) Includes bonds to be issued in 2026. Preliminary, subject to change
(2) Debt Service Fund balance at Fiscal Year End as of September 30, 2025 GAAP Basis

TABLE CD-9
TAX ADEQUACY WITH RESPECT
TO THE CITY'S OUTSTANDING TAX SUPPORTED GENERAL OBLIGATION BONDS
(Unaudited)

Principal and Interest Requirements, Fiscal Year Ending September 30, 2026	$ 34,420,816
$0.149848 Tax Rate @ 100% Collection [1]	35,420,579

(1) Calculation based on 2025/26 taxable value of $23,637,723,542 which is calculated as: certified assesed valuation of $23,848,933,624 plus estimated valuation of property under protest of $291,688,284 less the incremental value assigned to the City's Tax Increment Reinvestment Zone of $502,898,366.

TABLE CD-10
MUNICIPAL SALES TAX
(Unaudited)

The City has adopted the provision of V.T.C.A., Tax Code, Chapter 321, as amended, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and may not be pledged to debt service and are not pledged to the payment of the Bonds. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	Total Collected		Percentage of Adjusted Ad Valorem Tax Levy		Equivalent of Ad Valorem Tax Rate		Per Capita	
2017	36,626,570		50.06%	[1]	0.302183	[1]	279.98	
2018	39,632,629		50.31%	[1]	0.301708	[1]	299.50	
2019	39,603,512		46.45%	[1]	0.276359	[1]	290.84	
2020	39,836,732		43.51%	[1]	0.256603	[1]	289.41	
2021	45,814,938	[3]	47.29%	[1]	0.277841	[1]	328.78	
2022	48,413,698		48.55%	[1]	0.282911	[1]	358.33	
2023	50,203,763		47.00%	[1]	0.264751	[1]	369.69	
2024	49,307,475		41.83%	[1]	0.235575	[1]	361.28	
2025	52,217,513		38.72%	[1]	0.229907	[1]	382.43	[2]
2026	47,072,124	[4]	37.45%	[1]	0.201318	[1]	344.74	[2]

(1) Based on 98% collection rate of the total tax levy used for budget proposes through Fiscal Year 2016, 98.5% from Fiscal Year 2017 to 2019, 99.5% in Fiscal Year 2020, 98% (100% for Debt Service fund) in Fiscal Year 2021 and 98.5% (100% for Debt Service fund) in Fiscal Year 2022 through 2026.

(2) Based on estimated population of 136,543 as of September 30, 2025.

(3) FY 2021 includes thirteen (13) months of sales tax collections to accrue September 2021 taxes received in November 2021. Future fiscal years will continue to include twelve months of sales tax receipts.

(4) Projected amount, not actual. Based on City of Carrollton budget projections.

TABLE CD-11
COMPARATIVE MONTHLY SALES TAX COLLECTIONS [1]
(Unaudited)

Month	2025-2026	2024-2025	2023-2024	2023-2022	2022-2021
October	$ 4,293,885	$ 4,616,433	$ 3,927,993	$ 4,281,206	$ 3,733,305
November	3,706,373	3,869,240 [2]	4,163,271	3,863,343	3,617,036
December	4,456,638	4,920,518 [2]	4,606,238	4,656,095	4,470,246
January	3,486,749	3,443,985 [2]	3,666,003	3,702,087	3,781,584
February	3,288,770	3,590,180 [2]	3,346,387	3,610,928	3,217,532
March	4,392,036	5,232,133 [2]	4,544,346	3,950,709	4,655,522
April	3,817,479	4,039,724 [2]	3,933,840	4,517,070	3,487,285
May	3,932,718	4,373,256 [2]	3,960,937	4,049,132	4,076,926
June	4,389,374	4,924,262 [2]	4,430,816	4,802,037	4,214,451
July	4,032,367	4,305,025 [2]	4,413,058	3,987,156	4,172,089
August	4,007,178	4,350,661 [2]	4,026,702	4,038,213	4,356,323
September	3,268,557	4,552,097 [2]	4,287,882	4,745,787	4,631,399
	$ 47,072,124	$ - $ 52,217,513	$ 49,307,475	$ 50,203,763	$ 48,413,698

Source: Comptroller of Public Accounts; City of Carrollton

(1) Amount does not include mixed beverage and sales taxes on City services.

(2) Projected amount, not actual. Based on City of Carrollton budget projections. Based on year to date sales tax collections, which for the first month of the fiscal year have been 15.96% over the original budget and 8.25% below prior year actual collections. Due to the volatility of sales tax revenues, the City adopted a financial policy in early 2013 to mitigate the risk of volatility. Such policy identifies amounts in excess of budgeted sales tax collections as a non-recurring revenue source, which is dedicated to fund capital improvement projects, and is not reflected as a source of operating revenues for the General Fund. Beginning in Fiscal Year 2019, the City adopted a new policy stating that the capped sales tax will not be allowed to grow more than 8% over the previous year's capped amount, while limiting the percentage of total sales tax spent for recurring items at 75%, with the remaining 25% on one-time non-recurring purposes.

TABLE CD-12
OUTSTANDING DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT
(Unaudited)

$33,250,000 (1)
General Obligation Improvement Bonds

Fiscal Year	Existing Debt Service		Series 2026			Total Debt Service
Ended 9/30	Principal	Interest	Principal	Interest	Total Debt Service	Requirements
2026	25,185,000	9,235,816				34,420,816
2027	20,045,000	7,854,553	5,275,000	2,059,653	7,334,653	35,234,206
2028	19,500,000	6,937,653	1,425,000	1,398,750	2,823,750	29,261,403
2029	19,235,000	6,030,846	1,500,000	1,327,500	2,827,500	28,093,346
2030	18,265,000	5,167,634	1,575,000	1,252,500	2,827,500	26,260,134
2031	17,205,000	4,364,265	1,650,000	1,173,750	2,823,750	24,393,015
2032	14,760,000	3,603,428	1,735,000	1,091,250	2,826,250	21,189,678
2033	13,595,000	2,958,240	1,820,000	1,004,500	2,824,500	19,377,740
2034	12,065,000	2,395,140	1,915,000	913,500	2,828,500	17,288,640
2035	10,765,000	1,895,320	2,010,000	817,750	2,827,750	15,488,070
2036	9,350,000	1,443,980	2,110,000	717,250	2,827,250	13,621,230
2037	8,060,000	1,045,370	2,215,000	611,750	2,826,750	11,932,120
2038	6,970,000	662,250	2,325,000	501,000	2,826,000	10,458,250
2039	4,805,000	313,750	2,440,000	384,750	2,824,750	7,943,500
2040	2,420,000	96,800	2,565,000	262,750	2,827,750	5,344,550
2041	-	-	2,690,000	134,500	2,824,500	2,824,500
	$ 202,225,000	$ 54,005,044	$ 33,250,000	$ 13,651,153	$ 46,901,153	$ 303,131,197

(1) Estimated 2026 debt issuance. Assumed rate of 4.99%

TABLE CD-13
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS [1]
(Unaudited)

Authorization Purpose	Authorization Date	Amount Authorized	Prior Issuance	2026 Bonds [2]	Balance Unissued
Street Improvements & Traffic Flow	11/08/22	$ 102,450,000	$ 57,295,000	$ 24,700,000	$ 20,455,000
Public Safety Facilities Improvements	11/08/22	8,800,000	1,000,000	7,800,000	-
Parks & Recreation Improvements	11/08/22	18,900,000	15,700,000	750,000	2,450,000
Animal Shelter Facilities Improvements	11/08/22	4,800,000	-	-	4,800,000
Trail Improvements	11/08/22	2,000,000	1,700,000	-	300,000
		$ 136,950,000	$ 75,695,000	$ 33,250,000	$ 28,005,000

(1) This schedule reflects authorizations which have remaining balances outstanding. Prior authorizations have been completely utilized and are reflected in the total debt outstanding.

(2) Preliminary, subject to change. The 2026 Bonds assume use of par and premium against authorization.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2025

TABLE CD-14

GENERAL FUND [1] COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
(Unaudited)

	2025	2024	2023	2022	2021	2020
Fund Balance -						
Beginning of Year	$ 56,892,019	$ 64,669,010	$ 84,975,341	$ 55,272,812	$ 40,567,720	$ 30,737,701
Revenues:						
Taxes & Franchise Fees	138,447,883	132,540,255	132,992,785	125,901,695 [2]	119,126,658	105,225,686
Wireless 911 fees	1,213,470	1,874,111	1,078,814	1,164,967	1,178,780	1,071,761
Charges for Services	6,535,294	5,990,336	5,667,796	6,338,012	5,199,239	4,692,777
Fines and Forfeitures	3,391,933	2,980,882	2,651,485	3,203,560	3,051,687	2,828,801
Investment Income	4,818,216	5,854,614	4,783,473	(1,694,404)	403,197	1,317,474
Licenses and Permits	3,407,809	2,250,450	2,644,583	3,087,566	2,757,109	2,640,242
Intergovernmental	1,390,353	225,234	1,416,013	12,234,388	6,739,738	7,985,045
Miscellaneous	570,952	413,403	314,776	355,112	582,020	538,171
Total Revenues	159,775,910	152,129,285	151,549,725	150,590,896	139,038,428	126,299,957
Expenditures:						
General Government and Administration	23,320,858	24,061,506	21,488,582	20,478,164	19,662,154	19,597,405
Development Services	14,380,229	13,153,759	9,818,879	11,859,954	11,611,302	10,726,575
Public Safety	84,652,318	78,120,944	69,954,555	67,516,215	67,160,136	63,991,068
Cultural and Recreation	16,972,864	15,746,515	14,601,481	12,945,140	12,228,224	11,813,834
Net Transfers/Other Financing	25,141,995	26,613,464	53,716,183	7,534,122	13,671,520	10,341,056
Debt Service	1,367,624	2,210,088	2,276,376	554,772	-	-
Total Expenditures	165,835,888	159,906,276	171,856,056	120,888,367	124,333,336	116,469,938
Excess/Deficiency of Revenues over Expenditures	(6,059,978)	(7,776,991)	(20,306,331)	29,702,529	14,705,092	9,830,019
Fund Balance - End of Year (3)	$ 50,832,041	$ 56,892,019	$ 64,669,010	$ 84,975,341	$ 55,272,812	$ 40,567,720

(1) The General Fund is the main operating fund of the City, used to account for all finacial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in the General Fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes most of the basic operating services such as fire and police protection, environmental services, parks and recreation, libraries and street maintenance.

(2) Fiscal Year 2021 includes thirteen (13) months of sales tax collections to accrue September 2021 taxes received in November 2021. Future fiscal years will continue to include twelve months of sales tax receipts.

(3) The City will periodically draw down fund balance to more closely reflect its 60-day of expenditures policy. Draw downs are accomplished through transfers to the Capital Projects fund.

CITY OF CAROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2025

TABLE CD-15
GENERAL FUND
CURRENT OPERATIONS
(Unaudited)

On September 9, 2025 , the 2025-26 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

Revenues	2024-2025 Actual [1]	2025-2026 Adopted Budget [3]	2025-2026 Current Estimate [2]
Property Taxes	$ 72,875,918	$ 77,119,021	$ 77,929,205
Sales and Use Taxes	52,632,624	47,063,122	47,400,710
911 Taxes	1,213,470	1,093,570	1,093,570
Franchise Fees	11,825,122	11,766,949	11,766,949
Licenses and Permits	3,380,473	2,654,607	2,737,069
Charges for Services	6,295,296	6,319,154	6,143,499
Fines and Forfeiture	3,227,304	3,272,529	3,259,255
Other Revenues	1,195,240	394,910	394,910
Investment Income	4,506,095	4,204,383	4,204,383
Transfers In	2,641,361	2,777,409	2,777,409
Total Revenues	$ 159,792,903	$ 156,665,654	$ 157,706,958
Expenditures			
Personnel Services	85,973,075	$ 88,013,788	$ 88,013,788
Supplies and Services	19,813,301	21,314,323	21,314,323
Utilities	2,862,353	3,234,021	3,234,021
Allocations	26,009,916	28,649,019	28,649,019
Capital Outlay	3,166,684	1,854,724	1,854,724
Transfers Out	30,685,094	25,615,254	25,615,254
Total Expenditures	$ 168,510,423	$ 168,681,129	$ 168,681,129

(1) For annual budget purposes, the City utilizes an Administrative Services Fund for internal allocation of overall costs. For year-end financial reporting purposes, this fund is consolidated with the General Fund in the Annual Comprehensive Financial Report. The above figures represent only the General Fund as presented in the annual budget and do not include consolidation of the Administrative Services Fund.

(2) As of November 30, 2025. City Staff monitors actual revenues and expenditures monthly and revisions are made to forecasted budget numbers as necessary to reflect changes in the economy and changes in laws or regulations that might affect operations.

(3) The City will periodically draw down fund balance to more closely reflect its 60-day of expenditure target. This is accomplished through transfers to the Capital Projects fund. Recurring sources and uses will remain in balance.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2025

TABLE CD-16
CURRENT INVESTMENTS
(Unaudited)

As of September 30, 2025 the following percentages of the City's investable funds were invested in the following investment categories and the weighted average maturity of the total City portfolio was 0.98 years.

Type of Investment	Fair Market Value	Percentage
Coupon Agencies	$ 163,955,920	38.99%
Municipal Bonds	73,289,630	17.43%
Treasuries	107,447,788	25.55%
Government Pools [1]	75,810,017	18.03%
Total Securities	$ 420,503,355	100.00%

(1) The City's government pool investments are in the Texas Local Government Investment Pools ("TexPool") the Local Government Investment Cooperative ("LOGIC"), the Texas Cooperative Liquid Assets Securities System Trust ("TexasCLASS") and the TexasTERM Local Government Investment Pool ("TexasDaily"). All investment pools are rated AAAm by S&P and operate in a manner consistent with Chapter 2256, Texas Government Code.

TABLE CD-17
WATER & WASTEWATER SYSTEM
REVENUE BOND DEBT SERVICE REQUIREMENTS
(Unaudited)

Fiscal Year Ended 30-Sep	Existing Debt Principal	Existing Debt Interest	Total Debt Service Requirements
2026	795,000	618,850	1,413,850
2027	830,000	579,100	1,409,100
2028	875,000	537,600	1,412,600
2029	915,000	493,850	1,408,850
2030	960,000	454,550	1,414,550
2031	1,000,000	413,300	1,413,300
2032	1,045,000	370,300	1,415,300
2033	1,085,000	325,350	1,410,350
2034	1,135,000	278,650	1,413,650
2035	365,000	229,750	594,750
2036	385,000	211,500	596,500
2037	405,000	192,250	597,250
2038	420,000	172,000	592,000
2039	445,000	151,000	596,000
2040	465,000	128,750	593,750
2041	490,000	105,500	595,500
2042	515,000	81,000	596,000
2043	540,000	55,250	595,250
2044	565,000	28,250	593,250
Totals	**$ 13,235,000**	**$ 5,426,800**	**$ 18,661,800**

TABLE CD-18
WATER AND WASTEWATER SYSTEM OPERATING STATEMENT AND REVENUE BONDS COVERAGE
(Unaudited)

	Fiscal Year Ending September 30					
	2025	**2024**	**2023**	**2022**	**2021**	**2020**
Revenues [1]	$ 63,808,446	$ 62,470,556	$ 56,763,268	$ 52,627,371	$ 49,234,955	$ 49,848,279
Expenses:						
Personnel Services	5,516,342	5,066,226	4,886,490	3,714,564	3,765,284	3,983,596
Supplies and Services	43,013,299	39,648,850	34,109,046	31,718,521	30,287,031	30,109,494
Utilities	2,545,450	1,399,926	1,035,456	906,878	885,921	1,011,379
Allocations	1,644,723	1,588,408	1,679,902	1,202,288	1,033,616	774,800
Provision for Doubtful accounts	-	-		-	89,923	89,923
Transfers Out	5,308,392	5,028,917	5,381,519	5,423,162	4,919,956	4,552,223
Total Expenses	58,028,206	52,732,327	47,092,413	42,965,413	40,981,731	40,521,415
Net Available for Debt Service	$ 5,780,240	$ 9,738,229	$ 9,670,855	$ 9,661,958	$ 8,253,224	$ 9,326,864
Customer Count Water/Sewer	38,894	38,927	36,730	37,138	36,902	37,482
Average Annual Debt Service	$ 1,004,012	995,097	818,323	$ 890,296	$ 986,773	$ 1,070,043
Times of the Average Annual Debt Service	5.76	9.79	11.82	10.85	8.36	8.72

Average Annual Debt Service - 2025/2044	$ 1,004,012
Coverage of Average Annual Debt Service at 9/30/25 Net Available	$ 5.76
Maximum Annual Debt Service - 2025/2044	1,418,431
Coverage of Maximum Annual Debt Service at 9/30/25 Net Available	$ 4.08

(1) Fiscal Year 2023 excludes the $11 million transfer and Fiscal Year 2024 excludes the $1.25 million transfer from the General Fund to the Utility Fund as these transfers do not meet the definition of revenue for operating bonds.

TABLE CD-19
FUND BALANCES
(As of September 30, 2025)
(Unaudited)

Reserve Fund	$ 1,004,012
Interest and Sinking Fund	591,529
Total Fund Balances	**$ 1,595,541**

TABLE CD-20
WATER AND WASTEWATER OPERATING FUND
SUMMARY OF BUDGETED REVENUES AND EXPENDITURES
(Unaudited)

	2024-2025 Actual [1]	2025-2026 Adopted Budget [1] [2]
Beginning Operating Funds	$ 20,017,518	$ 22,941,673
Revenues		
Water Sales & Charges	33,023,480	36,993,853
Sewer Sales & Charges	25,171,244	25,440,585
Rate Increase	-	3,500,000
Tag & Reconnect Fees	986,456	450,000
Industrial Surcharge	943,377	315,000
Backflow Prevention Charges	231,171	220,000
Investment Income	891,085	917,967
Miscellaneous	474,012	175,000
Transfers In	-	-
Total Revenues	$ 61,720,825	$ 68,012,405
Total Funds Available	$ 81,738,343	$ 90,954,078
Expenditures		
Personnel Services	4,599,307	5,230,667
Supplies and Services	38,684,245	43,327,174
Utilities	2,538,970	2,191,169
Allocations	6,753,741	8,320,562
Capital Outlay	20,435	33,592
Transfers Out	9,396,501	14,199,259
Total Expenditures	$ 61,993,200	$ 73,302,423
Ending Operating Funds	$ 19,745,143	$ 17,651,655

(1) Budget basis.

(2) Includes a projected average increase of 7.50% on water and sewer rates effective 1/1/2026.

TABLE CD-21
UTILITY PLANT IN SERVICE
(As of September 30, 2025)
(Unaudited)

Land	$ 1,334,929
Utility Plant	320,455,467
Equipment and Intangibles [1]	9,936,752
Construction in Progress	825,299
Total Capital Assets	332,552,447
Less Accumulated Depreciation	(196,600,403)
Net Utility Plant in Service	**$ 135,952,044**

(1) Reflective of SBITA assets beginning in FY2023.

TABLE CD-22
WATER AND WASTEWATER FUND
CITY'S EQUITY IN SYSTEM
(Unaudited)

	Fiscal Year Ending September 30				
	2025 [1]	**2024** [1]	**2023** [1]	**2022**	**2021**
Water & Wastewater System in Service	$ 332,552,447	$ 317,489,917	$ 310,968,962	$ 300,619,285	$ 289,667,747
Reserve for Depreciation	(196,600,403)	(190,419,890)	(183,851,745)	(177,584,728)	(171,743,760)
Net plant in Service	135,952,044	127,070,027	127,117,217	123,034,557	117,923,987
Construction Funds Net Position	54,006,418	43,465,810	31,875,262	21,546,082	19,657,568
Net Plant in Service and Coming on Line	189,958,462	170,535,837	158,992,479	144,580,639	137,581,555
Plus Other Assets/Deferred Outflows of Resources	636,591	1,159,979	2,060,328	1,588,675	301,981
Plus Operating Working Capital	(814,094)	21,187,902	21,220,449	18,199,375	16,799,770
Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	189,780,959	192,883,718	182,273,256	164,368,689	154,683,306
Long Term Debt	13,721,688	14,624,593	7,357,133	7,858,502	9,318,940
Less Debt Reserves	(1,004,012)	(995,097)	(818,323)	(890,296)	(986,773)
Net Long Term Debt	12,717,676	13,629,496	6,538,810	6,968,206	8,332,167
Plus Other Liabilities/ Deferred Inflows of Resources	2,353,864	3,321,887	4,153,764	2,211,785	934,752
Total Obligations and Deferred Inflows of Resources	15,071,540	16,951,383	10,692,574	9,179,991	9,266,919
City's Equity in System	$ 174,709,419	$ 175,932,335	$ 171,580,682	$ 155,188,698	$ 145,416,387
% Equity	92.06%	91.21%	94.13%	94.42%	94.01%

(1) Includes SBITA assets & liabilities

TABLE CD-23
TOP TEN WATER CUSTOMERS
AS OF 9/30/2025
(Unaudited)

	Name	Type	Revenues	% of Total Water Revenues [1]
1	Teasdale Foods Inc	Manufacturing	$ 757,554	2.29%
2	Carrollton-Farmers Branch ISD	School District	$ 623,951	1.89%
3	Western Extrusions Inc	Manufacturing	$ 593,322	1.80%
4	BuzzBallz LLC	Manufacturing	$ 422,785	1.28%
5	Walnut Plaza DFW LLC	Apartments	$ 261,580	0.79%
6	Frankel Family Trust	Apartments	$ 254,430	0.77%
7	Briarcrest Owner LLC	Apartments	$ 236,474	0.72%
8	Post Greentree LLC	Apartments	$ 230,471	0.70%
9	Bellavista	Apartments	$ 223,300	0.68%
10	Nstar GJL LLC	Apartments	$ 219,671	0.67%
	TOTAL		**$ 3,823,539**	**11.58%**

(1) Total water revenues from October 1, 2024 through September 30, 2025 was $33,023,480.
Source: City of Carrollton Utility Customer Service Department.

TABLE CD-24
WATER USAGE
(Unaudited)

Fiscal Year Ended 9/30	Average Daily Use In Gallons		Maximum Daily Use In Gallons		Total Gallons for Year
2015	19,548,000		41,609,000		7,151,918,000
2016	19,524,000		35,439,000		7,126,366,000
2017	19,753,000		29,339,000		7,209,845,000
2018	20,711,000		37,720,000		7,578,297,000
2019	19,203,000		37,735,000		7,410,532,000
2020	21,698,000		38,799,000		7,953,874,000
2021	21,792,000		37,337,000		7,962,892,000
2022	24,218,000	[1]	48,423,000	[1]	8,864,496,000
2023	23,671,000		43,253,000		8,679,414,000
2024	22,718,000		40,141,000		8,326,811,000
2025	22,749,000		37,025,000		8,319,071,000

Source: City of Carrollton Water Distribution Department.

(1) Fiscal Year 2022 daily use increase as a result of unseasonably dry weather throughout the spring and summer.

TABLE CD-25

WATER & WASTEWATER RATES [1]

(Unaudited)

Monthly Water Rates:		
Minimum monthly charge, including the first 2,000 gallons of use:		
Single-family residential domestic and irrigation use	$	17.14
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	$	18.42
1" meter		28.38
1.5" meter		45.03
2" meter		64.99
3" meter		118.17
4" meter		178.04
6" meter		344.35
8" meter		543.92
10" meter		776.76
Fire Line regardless of size		88.99
Use over the 2,000 gallons included in the minimum monthly charge:		
Single-family residential domestic use:		
Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	$	4.27
Meter Readings from May through September:		
Next 8,000 gallons (per1,000 gallons)		4.27
All Over 15,000 gallons (per 1,000 gallons)		5.74
All Over 25,000 gallons (per 1,000 gallons)		7.16
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	$	4.59
Next 25,000 gallons (per 1,000 gallons)		5.47
Next 50,000 gallons (per 1,000 gallons)		6.20
Next 100,000 gallons (per 1,000 gallons)		6.98
All use over 200,000 gallons (per 1,000 gallons)		7.78
Commercial use (including apartments and portable meters):		
All use over 2,000 gallons (per 1,000 gallons)	$	3.16
Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:		
All use over 2,000 gallons (per 1,000 gallons)	$	2.74
Monthly Sewer Rates:		
Residential use:		
First 2,000 gallons, minimum	$	19.43
All use over 2,000 gallons (per 1,000 gallons)		4.70
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	$	20.46
1" meter		29.64
1.5" meter		44.84
2" meter		63.06
3" meter		111.74
4" meter		166.92
6" meter		318.38
8" meter		500.77
10" meter		713.51
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	$	4.83

(1) Rates effective January 1, 2026.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2025

TABLE CD-26

COMPARATIVE WATER AND SEWER REVENUES, EXPENSES AND CHANGES IN NET POSITION (GAAP BASIS)
(Unaudited)

	2025	2024	2023	2022	2021	2020
Operating revenues:						
Charges for services	$ 60,645,058	$ 58,549,628	$ 55,045,831	$ 53,318,611	$ 48,800,547	$ 48,870,110
Miscellaneous	786,242	424,633	421,105	384,501	337,653	297,912
Total operating revenues	61,431,300	58,974,261	55,466,936	53,703,112	49,138,200	49,168,022
Operating expenses:						
Personal services	5,516,342	5,066,226	4,886,490	3,714,564	3,765,284	3,983,596
Supplies and Services	43,013,299	39,648,850	34,109,046	31,718,521	30,287,030	30,109,494
Utilities	2,545,450	1,399,926	1,035,456	906,878	885,921	1,011,379
Allocations	1,644,723	1,588,408	1,679,902	1,202,288	1,123,539	864,723
Depreciation	6,906,893	6,688,187	6,437,241	5,981,781	5,968,356	5,758,477
Total operating expenses	59,626,707	54,391,597	48,148,135	43,524,032	42,030,130	41,727,669
Income (loss) from operations	1,804,593	4,582,664	7,318,801	10,179,080	7,108,070	7,440,353
Nonoperating revenues (expenses):						
Investment earnings net of change in fair value	2,377,146	3,496,295	1,296,332	(1,075,741)	96,755	680,257
Gain on sale/retirement of capital assets	144,436	29,562	59,350	38,830	99,209	14,826
Interest expense	(526,329)	(374,983)	(268,972)	(225,120)	(311,618)	(375,564)
Total nonoperating revenues (expenses)	1,995,253	3,150,874	1,086,710	(1,262,031)	(115,654)	319,519
Income (loss) before contributions and transfers	3,799,846	7,733,538	8,405,511	8,917,049	6,992,416	7,759,872
Capital contributions	285,630	397,032	296,688	5,578,424	3,199,625	727,166
Transfers in		1,250,000	13,071,304	700,000		-
Transfers out	(5,308,392)	(5,028,917)	(5,381,519)	(5,423,162)	(4,919,956)	(4,552,223)
Change in net position	(1,222,916)	4,351,653	16,391,984	9,772,311	5,272,085	3,934,815
Net position at beginning of year	175,932,335	171,580,682	155,188,698	145,416,387	140,144,302	136,209,487
Net position at end of year	$ 174,709,419	$ 175,932,335	$ 171,580,682	$ 155,188,698	$ 145,416,387	$ 140,144,302

CARROLLTON

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